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# LEGISLATIVE HISTORY

Public Law 354--77th Congress

Chapter 593--1st Session

H. R. 6233

## TABLE OF CONTENTS

Digest of Public Law 354 . . . . .	1
Index and Summary of History on H. R. 6233 . . .	2



## FIRST WAR POWERS ACT 1941

Title I - Coordination of Executive Bureaus in the Interest of More Efficient Concentration of the Government.

Authorizes the President, until 6 months after termination of the war, to redistribute functions among executive agencies (except the General Accounting Office) in matters relating to the conduct of the war and to utilize, coordinate, or consolidate any executive or administrative commissions or other agencies; to transfer any duties, personnel, property or funds from one agency to another; and to recommend to Congress abolition of agencies no longer needed after such redistribution of functions.

Title II - Contracts.

Permits the President, until 6 month after termination of the war to authorize any Government agency to enter into defense contracts and amendments or modifications of contracts and to make advance, progress, and other payments thereon, without regard to law relating to contracts, when he deems that such action would facilitate prosecution of the war, but does not permit cost-plus-a-percentage-of-cost system of contracting nor violations of law relating to profit limitation.

Title III - Trading with the Enemy.

Reenacts, with amendments, the Trading with the Enemy Act of 1917, which permits the President or his designated agency, during war or national emergency, to regulate foreign exchange transactions and foreign trade (expanding foreign-property control under the act of May 7, 1940).



## INDEX AND SUMMARY OF HISTORY ON H. R. 6233

Pages refer to debate in bound volume of Congressional Record, Vol. 87, Pt. 9.

- December 11, 1941 H. R. 6206 introduced by Mr. Sumners and referred to the House Committee on the Judiciary. (Similar bill).
- December 15, 1941 S. 2129 introduced by Mr. Van Nuys and referred to the Senate Committee on the Judiciary. Senate Committee reported without amendments. Senate Report 911. (Companion bill).
- H. R. 6233 introduced by Mr. Sumners and referred to the House Committee on the Judiciary. House Committee reported without amendment. House Report 1507. Print of the bill as reported.
- House Resolution 389 reported from Rules Committee, House Report 1506, for the consideration of H. R. 6233.
- December 16, 1941 H. R. 6233 debated in House and passed with amendment. pp. 9856-68.
- S. 2129 debated in Senate and passed with amendment. pp. 9837-46. Print of S. 2129 as ordered to be printed.
- December 17, 1941 H. R. 6233 debated in Senate and passed with amendment. (in lieu of S. 2129). pp. 9893-95.
- House concurred in Senate amendments. pp. 9946, 9947.
- December 18, 1941 Approved. Public Law 354.









77TH CONGRESS  
1st Session

# H. R. 6206

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 1941

Mr. SUMNERS of Texas introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To expedite the prosecution of the war.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3                   TITLE I—OVERMAN ACT

4       SEC. 101. That the Act of May 20, 1918, Fortieth Stat-  
5       utes, page 556 (commonly known as the Overman Act), is  
6       hereby reenacted.

7                   TITLE II—CONTRACTS

8       SEC. 201. The President may authorize any department  
9       or agency of the Government to enter into contracts and into  
10      amendments or modifications of contracts heretofore or here-  
11      after made, and to make advance, progress, and other pay-

77<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 6206**

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## **A BILL**

To expedite the prosecution of the war.

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By Mr. SUMNERS of Texas

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DECEMBER 11, 1941

Referred to the Committee on the Judiciary





## EXPEDITING THE PROSECUTION OF THE WAR EFFORT

DECEMBER 15, 1941.—Ordered to be printed

Mr. VAN NUYS, from the Committee on the Judiciary, submitted the following

## REPORT

[To accompany S. 2129]

The Committee on the Judiciary, to whom was referred the bill (S. 2129) to expedite the prosecution of the war effort, after consideration thereof, report the same to the Senate favorably with the recommendation that it do pass.

This bill provides the President with the necessary authority to put the Government of the United States on an immediate war footing. Based on the experience of the last World War, the bill gives the President certain powers similar to those exercised by President Wilson during that war.

## I

Title I of the bill incorporates almost verbatim the language of the Overman Act (see appendix), which was passed during the last World War, except that it omits provisions relating to control over airplane production which are obsolete and unnecessary. That act authorized the President to redistribute the functions of the various governmental agencies in the interest of efficiently prosecuting the war.

## II

Title II of the bill is needed to speed up the procurement of war matériel. Pursuant to this provision the President may authorize agencies to enter into contracts with a maximum of speed, subject to such rules and regulations as he shall prescribe to protect the interest of the Government. Among other things, the President may authorize agencies (a) to enter into contracts without competitive bidding in those few cases where bidding is still required; (b) to enter into contracts without performance bonds; (c) to amend or modify contracts; (d) to make progress payments on contracts.

This provision will make it possible to bring the small businessman into the defense program. In many cases he cannot make the goods at as low a price as the big corporations. In many cases he cannot afford a performance bond. In still other cases he needs progress payments which cannot be made in the amounts and under the conditions needed. This bill will make it possible to give defense contracts to the small businessman by making the terms and conditions such that he can do the job.

Certain restrictions on procurement arrangements already have been lifted by statute so that in most respects procurement procedure has been made flexible. Nevertheless, some restrictions remain in force. This provision permits elimination of restrictions in order to give the procurement agencies the flexibility they need in the procurement of war matériel. (A substantially complete list of statutes involved is appended to this report.)

### III

Title III of the bill has three parts:

(1) Section 301 amends and extends section 5 (b) of the Trading with the Enemy Act which originally became law on October 6, 1917, during the last World War. The existing system of foreign property control is based on section 5 (b), as last amended on May 7, 1940. This amendment will conform this statute to the exigencies of this war.

The existing foreign property control regulations (popularly known as "freezing control") have permitted the Government to prevent and regulate transactions relating to foreign property which are prejudicial to the interests of the United States. While existing law permits the Government to prevent transactions, it is now necessary for the Government to be able to affirmatively compel the use and application of foreign property in a manner consistent with the interests of the United States.

Section 301 would remedy this situation. It gives the President flexible powers, operating through such agency as he might choose, to deal comprehensively with the many problems that surround alien property or its ownership or control in the manner most effective in each particular case. In this respect, the bill avoids the rigidity and inflexibility which characterized the Alien Property Custodian law enacted during the last war. The necessity for flexibility in legislation on this subject is accentuated by the vastness of the alien-property problem confronting the Government today. At the peak of his activity, the Alien Property Custodian of the last war administered property valued at something over \$500,000,000. Today there is over \$7,000,000,000 worth of property already subject to the existing control.

This provision of the bill to a considerable extent follows the pattern of existing law and is a logical extension of the present foreign property control system, which has been operating very satisfactorily for almost 2 years. The extension could be put into immediate operation with a minimum amount of trouble or dislocation of legitimate activities.

It is essential that the Government have this power, a power exercised by every other wartime government and exercised by this Government during the last war.



(2) Section 302 of the bill, with appropriate limitations, confirms action already taken under the Trading With the Enemy Act. It is similar in principle to provisions in previous legislation on this subject (sec. 2 of the joint resolution of May 7, 1940, Public Res. No. 69, 76th Cong.; and sec. 1 of the act of March 9, 1933, 48 Stat. 1).

(3) Section 303 is identical with the provisions of section 3 (d) of the Trading With the Enemy Act passed in 1917, except that it also contains provisions identical with section 16, the penalty provision of such act.

Section 3 (d) of the Trading With the Enemy Act authorized President Wilson, whenever he deemed that the public safety demanded it during the last World War, to cause to be censored, under such rules and regulations as he might from time to time establish, communications by mail, cable, radio, or any other means of transmission between the United States and any foreign country. Section 303 of the present bill deals only with censorship of international communications and not with domestic censorship.

Section 303 will make it absolutely clear that the President may censor all forms of foreign communication direct or indirect. It will further permit him as a matter of administration, to set up an organization and definite rules under which the control is to be carried out.

#### IV

Title IV provides a time limit for titles I and II of the bill. It provides that these titles shall expire 6 months after the termination of the war or at such earlier time as the Congress or the President may determine. The provisions in title III are limited by their own terms and thus do not require a special termination date.

#### APPENDIX

The text of the Overman Act (40 Stat. 556) is set forth below for the information of the House:

AN ACT Authorizing the President to coordinate or consolidate executive bureaus, agencies, and offices, and for other purposes, in the interest of economy and the more efficient concentration of the Government

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That for the national security and defense, for the successful prosecution of the war, for the support and maintenance of the Army and Navy, for the better utilization of resources and industries, and for the more effective exercise and more efficient administration by the President of his powers as Commander in Chief of the land and naval forces, the President is hereby authorized to make such redistributions of functions among executive agencies as he may deem necessary, including any functions, duties, and powers hitherto by law conferred upon any executive department, commission, bureau, agency, office, or officer, in such manner as in his judgment shall seem best fitted to carry out the purposes of this Act, and to this end is authorized to make such regulations and to issue such orders as he may deem necessary, which regulations and orders shall be in writing and shall be filed with the head of the department affected and constitute a public record: *Provided*, That this Act shall remain in force during the continuance of the present war and for six months after the termination of the war by the proclamation of the treaty of peace, or at such earlier time as the President may designate: *Provided further*, That the termination of this Act shall not affect any act done or any right or obligation accruing or accrued pursuant to this Act and during the time that this Act is in force: *Provided further*, That the authority by this Act granted shall be exercised only in matters relating to the conduct of the present war.

SEC. 2. That in carrying out the purposes of this Act the President is authorized to utilize, coordinate, or consolidate any executive or administrative commissions, bureaus, agencies, offices, or officers now existing by law, to transfer any duties or powers from one existing department, commission, bureau, agency, office, or officer to another, to transfer the personnel thereof or any part of it either by detail or assignment, together with the whole or any part of the records and public property belonging thereto.

SEC. 3. That the President is further authorized to establish an executive agency which may exercise such jurisdiction and control over the production of aeroplanes, aeroplane engines, and aircraft equipment as in his judgment may be advantageous; and, further, to transfer to such agency, for its use, all or any moneys heretofore appropriated for the production of aeroplanes, aeroplane engines, and aircraft equipment.

SEC. 4. That for the purpose of carrying out the provisions of this Act, any moneys heretofore and hereafter appropriated for the use of any executive department, commission, bureau, agency, office, or officer shall be expended only for the purposes for which it was appropriated under the direction of such other agency as may be directed by the President hereunder to perform and execute said function.

SEC. 5. That should the President, in redistributing the functions among the executive agencies as provided in this Act, conclude that any bureau should be abolished and it or their duties and functions conferred upon some other department or bureau or eliminated entirely, he shall report his conclusions to Congress with such recommendations as he may deem proper.

SEC. 6. That all laws or parts of laws conflicting with the provisions of this Act are to the extent of such conflict suspended while this Act is in force.

Upon the termination of this Act all executive or administrative agencies, departments, commissions, bureaus, offices, or officers shall exercise the same functions, duties, and powers as heretofore or as hereafter by law may be provided, any authorization of the President under this Act to the contrary notwithstanding.

Approved, May 20, 1918.

The text of sections 3 (d) and 16 of the Trading with the Enemy Act, as amended, are set forth below for the information of the House:

SEC. 3 \* \* \*

(d) Whenever, during the present war, the President shall deem that the public safety demands it, he may cause to be censored under such rules and regulations as he may from time to time establish, communications by mail, cable, radio, or other means of transmission passing between the United States and any foreign country he may from time to time specify, or which may be carried by any vessel or other means of transportation touching at any port, place, or territory of the United States and bound to or from any foreign country. Any person who willfully evades or attempts to evade the submission of any such communication to such censorship or willfully uses or attempts to use any code or other device for the purpose of concealing from such censorship the intended meaning of such communication shall be punished as provided in section sixteen of this Act.

SEC. 16. That whoever shall willfully violate any of the provisions of this Act or of any license, rule, or regulation issued thereunder, and whoever shall willfully violate, neglect, or refuse to comply with any order of the President issued in compliance with the provisions of this Act shall, upon conviction, be fined not more than \$10,000, or, if a natural person, imprisoned for not more than ten years, or both; and the officer, director, or agent of any corporation who knowingly participates in such violation shall be punished by a like fine, imprisoned, or both, and any property, funds, securities, papers, or other articles or documents, or any vessel, together with her tackle, apparel, furniture, and equipment, concerned in such violation shall be forfeited to the United States.

STATUTES PERTINENT TO TITLE II CONCERNED WITH THE LETTING,  
ADMINISTERING, AND PERFORMANCE OF CONTRACTS

## I. ADVERTISING

## A. Statutes requiring advertising for bids for Government contracts:

- 41 United States Code: Section 5 (general provisions).
- 10 United States Code: Sections 310, 1200, 1201 (specific provisions).
- 34 United States Code: Sections 561, 566, 567 (specific provisions).
- 41 United States Code: Section 7 (specific provisions).

B. Neither 41 United States Code, section 5, nor any other of the above provisions apply to the Reconstruction Finance Corporation, the subsidiaries of that corporation, such as the Defense Plant Corporation, or any other Government-owned corporation.

C. Statutes dispensing with the advertising requirement under certain circumstances not necessarily related to emergency situations:

- 10 United States Code: Sections 6-6 (n) (n), 1205.
- 34 United States Code: Sections 565, 569, 571.

D. Emergency appropriation acts authorizing the President to dispense with the advertising requirement:

- Seventy-sixth Congress: Public, Nos. 611, 703.
- Seventy-seventh Congress: Public, Nos. 9, 28.

E. Statutes authorizing the Secretaries of War and Navy, the Maritime Commission, and the Federal Works Administration to dispense with the advertising requirement under emergency circumstances:

- 50 United States Code, sec. 96:
- Seventy-sixth Congress: Public, Nos. 43, 168, 309, 629, 635, 671, 703, 781, 849.
- Seventy-seventh Congress: Public, Nos. 9, 22, 46, 48, 101, 137, 139, 143, 247.

## II. PROVISIONS CONCERNING BONDS

## A. Statutes requiring bonds for government contracts and related provisions:

- 40 United States Code: Sections 270 (a)-270 (d).
- 41 United States Code: Section 7 (3).
- 34 United States Code: Section 562.

B. Statutes dispensing with some of the above restrictions under emergency conditions:

- Seventy-sixth Congress: Public, No. 309.
- Seventy-seventh Congress: Public, Nos. 5, 46, 139, 309.

## III. PROVISIONS CONCERNING ADVANCE AND PARTIAL PAYMENTS

A. 31 United States Code, Section 529, is a general prohibition against paying for any government purchase before delivery or before title is taken to it.

B. Statutes presently giving some, but inadequate, relief against these provisions:

- 34 United States Code: Section 582.
- Seventy-sixth Congress: Public, Nos. 671, 703.





No hearings were held

Calendar No. 948

77TH CONGRESS  
1ST SESSION

**S. 2129**

[Report No. 911]



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IN THE SENATE OF THE UNITED STATES

DECEMBER 15, 1941

Mr. VAN NUYS introduced the following bill: which was read twice and referred to the Committee on the Judiciary

DECEMBER 15, 1941

Reported by Mr. VAN NUYS, without amendment

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**A BILL**

To expedite the prosecution of the war effort.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—COORDINATION OF EXECUTIVE BU-  
4 REAUS IN THE INTEREST OF THE MORE  
5 EFFICIENT CONCENTRATION OF THE GOV-  
6 ERNMENT

7 SECTION 1. That for the national security and defense,  
8 for the successful prosecution of the war, for the support and  
9 maintenance of the Army and Navy, for the better utiliza-  
10 tion of resources and industries, and for the more effective  
11 exercise and more efficient administration by the President of



1 his powers as Commander in Chief of the Army and Navy,  
2 the President is hereby authorized to make such redistribution  
3 of functions among executive agencies as he may deem neces-  
4 sary, including any functions, duties, and powers hitherto  
5 by law conferred upon any executive department, commis-  
6 sion, bureau, agency, governmental corporation, office, or  
7 officer, in such manner as in his judgment shall seem best  
8 fitted to carry out the purposes of this title, and to this end  
9 is authorized to make such regulations and to issue such  
10 orders as he may deem necessary, which regulations and  
11 orders shall be in writing and shall be published in accordance  
12 with the Federal Register Act of 1935: *Provided*, That the  
13 termination of this title shall not affect any act done or any  
14 right or obligation accruing or accrued pursuant to this title  
15 and during the time that this title is in force: *Provided fur-*  
16 *ther*, That the authority by this title granted shall be exer-  
17 cised only in matters relating to the conduct of the present  
18 war.

19 SEC. 2. That in carrying out the purposes of this title  
20 the President is authorized to utilize, coordinate, or con-  
21 solidate any executive or administrative commissions, bu-  
22 reaus, agencies, governmental corporations, offices, or officers  
23 now existing by law, to transfer any duties or powers from  
24 one existing department, commission, bureau, agency, gov-  
25 ernmental corporation, office, or officer to another, to transfer

1 the personnel thereof or any part of it either by detail or  
2 assignment, together with the whole or any part of the rec-  
3 ords and public property belonging thereto.

4       SEC. 3. That for the purpose of carrying out the provi-  
5 sions of this title, any moneys heretofore and hereafter appro-  
6 priated for the use of any executive department, commission,  
7 bureau, agency, governmental corporation, office, or officer  
8 shall be expended only for the purposes for which it was  
9 appropriated under the direction of such other agency as  
10 may be directed by the President hereunder to perform and  
11 execute said functions, except to the extent hereafter author-  
12 ized by the Congress in appropriation Acts or otherwise.

13       SEC. 4. That should the President, in redistributing the  
14 functions among the executive agencies as provided in this  
15 title, conclude that any bureau should be abolished and it or  
16 their duties and functions conferred upon some other depart-  
17 ment or bureau or eliminated entirely, he shall report his  
18 conclusions to Congress with such recommendations as he may  
19 deem proper.

20       SEC. 5. That all laws or parts of laws conflicting with  
21 the provisions of this title are to the extent of such conflict  
22 suspended while this title is in force.

23       Upon the termination of this title all executive or admin-  
24 istrative agencies, governmental corporations, departments,  
25 commissions, bureaus, offices, or officers shall exercise the

1 same functions, duties, and powers as heretofore or as here-  
2 after by law may be provided, any authorization of the  
3 President under this title to the contrary notwithstanding.

## 4 TITLE II—CONTRACTS

5 SEC. 201. The President may authorize any department  
6 or agency of the Government exercising functions in con-  
7 nection with the prosecution of the war effort, in accordance  
8 with regulations prescribed by the President for the protec-  
9 tion of the interests of the Government, to enter into contracts  
10 and into amendments or modifications of contracts hereto-  
11 fore or hereafter made and to make advance, progress and  
12 other payments thereon, without regard to the provisions of  
13 law relating to the making, performance, amendment, or  
14 modification of contracts whenever he deems such action  
15 would facilitate the prosecution of the war: *Provided*, That  
16 nothing herein shall be construed to authorize the use of the  
17 cost-plus-a-percentage-of-cost system of contracting.

## 18 TITLE III—TRADING WITH THE ENEMY

19 SEC. 301. The first sentence of subdivision (b) of sec-  
20 tion 5 of the Trading With the Enemy Act of October 6,  
21 1917 (40 Stat. 411), as amended, is hereby amended to read  
22 as follows:

23 “(1) During the time of war or during any other period  
24 of national emergency declared by the President, the Presi-  
25 dent may, through any agency that he may designate, or



1 otherwise, and under such rules and regulations as he may  
2 prescribe, by means of instructions, licenses, or otherwise—

3 “(A) investigate, regulate, or prohibit, any transac-  
4 tions in foreign exchange, transfers of credit or payments  
5 between, by, through, or to any banking institution, and  
6 the importing, exporting, hoarding, melting, or earmark-  
7 ing of gold or silver coin or bullion, currency or securities,  
8 and

9 “(B) investigate, regulate, direct and compel,  
10 nullify, void, prevent or prohibit, any acquisition hold-  
11 ing, withholding, use, transfer, withdrawal, transporta-  
12 tion, importation or exportation of, or dealing in, or  
13 exercising any right, power, or privilege with respect  
14 to, or transactions involving, any property in which any  
15 foreign country or a national thereof has any interest,  
16 by any person, or with respect to any property, subject to  
17 the jurisdiction of the United States; and any property or  
18 interest of any foreign country or national thereof shall vest,  
19 when, as, and upon the terms, directed by the President, in  
20 such agency or person as may be designated from time to  
21 time by the President, and upon such terms and conditions  
22 as the President may prescribe such interest or property shall  
23 be held, used, administered, liquidated, sold, or otherwise  
24 dealt with in the interest of and for the benefit of the United  
25 States, and such designated agency or person may perform

1 any and all acts incident to the accomplishment or further-  
2 ance of these purposes; and the President may, in the manner  
3 hereinabove provided, require any person to keep a full record  
4 of, and to furnish under oath, in the form of reports or other-  
5 wise, complete information relative to any act or transaction  
6 referred to in this subdivision either before, during, or after  
7 the completion thereof, or relative to any interest in foreign  
8 property, or relative to any property in which any foreign  
9 country or any national thereof has or has had any interest,  
10 or as may be otherwise necessary to enforce the provisions  
11 of this subdivision, and in any case in which a report could be  
12 required, the President may, in the manner hereinabove pro-  
13 vided, require the production, or if necessary to the national  
14 security or defense, the seizure, of any books of account,  
15 records, contracts, letters, memoranda, or other papers, in the  
16 custody or control of such person; and the President may, in  
17 the manner hereinabove provided, take other and further  
18 measures not inconsistent herewith for the enforcement of this  
19 subdivision.

20       “(2) Any payment, conveyance, transfer, assignment,  
21 or delivery of property or interest therein, made to or for  
22 the account of the United States, or as otherwise directed,  
23 pursuant to this subdivision or any rule, regulation, instruc-  
24 tion, or direction issued hereunder shall to the extent thereof  
25 be a full acquittance and discharge for all purposes of the

1 obligation of the person making the same; and no person  
2 shall be held liable in any court for or in respect to anything  
3 done or omitted in good faith in connection with the admin-  
4 istration of, or in pursuance of and in reliance on, this  
5 subdivision, or any rule, regulation, instruction, or direction  
6 issued hereunder.

7       “(3) As used in this subdivision the term “United  
8 States” means the United States and any place subject to  
9 the jurisdiction thereof, including the Philippine Islands, and  
10 the several courts of first instance of the Commonwealth of  
11 the Philippine Islands shall have jurisdiction in all cases,  
12 civil or criminal, arising under this subdivision in the Philip-  
13 pine Islands and concurrent jurisdiction with the district  
14 courts of the United States of all cases, civil or criminal,  
15 arising upon the high seas: *Provided, however,* That the  
16 foregoing shall not be construed as a limitation upon the  
17 power of the President, which is hereby conferred, to pre-  
18 scribe from time to time, definitions, not inconsistent with  
19 the purposes of this subdivision, for any or all of the terms  
20 used in this subdivision.”

21       SEC. 302. All acts, actions, regulations, rules, orders,  
22 and proclamations heretofore taken, promulgated, made, or  
23 issued by, or pursuant to the direction of, the President or  
24 the Secretary of the Treasury under the Trading With the  
25 Enemy Act of October 6, 1917 (40 Stat. 411), as amended,

1 which would have been authorized if the provisions of this  
2 Act and the amendments made by it had been in effect,  
3 are hereby approved, ratified, and confirmed.

4       SEC. 303. Whenever, during the present war, the  
5 President shall deem that the public safety demands it, he  
6 may cause to be censored under such rules and regulations  
7 as he may from time to time establish, communications by  
8 mail, cable, radio, or other means of transmission passing  
9 between the United States and any foreign country he may  
10 from time to time specify, or which may be carried by any  
11 vessel or other means of transportation touching at any  
12 port, place, or Territory of the United States and bound to  
13 or from any foreign country. Any person who willfully  
14 evades or attempts to evade the submission of any such  
15 communication to such censorship or willfully uses or at-  
16 tempts to use any code or other device for the purpose of  
17 concealing from such censorship the intended meaning of  
18 such communication shall, upon conviction, be fined not  
19 more than \$10,000, or, if a natural person, imprisoned for  
20 not more than ten years, or both; and the officer, director,  
21 or agent of any corporation who knowingly participates in  
22 such violation shall be punished by a like fine, imprison-  
23 ment, or both, and any property, funds, securities, papers, or  
24 other articles or documents, or any vessel, together with her

1 tackle, apparel, furniture, and equipment, concerned in such  
2 violation shall be forfeited to the United States.

3 TITLE IV—TIME LIMIT AND SHORT TITLE

4 SEC. 401. Titles I and II of this Act shall remain in  
5 force during the continuance of the present war and for six  
6 months after the termination of the war, or until such earlier  
7 time as the Congress by concurrent resolution or the Presi-  
8 dent may designate.

9 SEC. 402. This Act may be cited as the "First War  
10 Powers Act, 1941."





77<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**S. 2129**

[Report No. 911]

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## **A BILL**

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To expedite the prosecution of the war effort.

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By Mr. VAN NUYS

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DECEMBER 15, 1941

Read twice and referred to the Committee on the  
Judiciary

DECEMBER 15, 1941

Reported without amendment



## EXPEDITING THE PROSECUTION OF THE WAR EFFORT

DECEMBER 15, 1941.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. SUMNERS of Texas, from the Committee on the Judiciary, submitted the following

### REPORT

[To accompany H. R. 6233]

The Committee on the Judiciary to whom was referred the bill (H. R. 6233) to expedite the prosecution of the war effort, having considered the same, report the bill favorably to the House without amendment and recommend that the bill do pass.

This bill confers upon the President authority which is urgently needed in order to put the Government of the United States on an immediate war footing. It is based on the experience of World War I and is intended to give the President of the United States and the Commander in Chief of the Army and Navy certain powers similar to those which President Wilson had during that war.

#### I

Title I of the bill is substantially the same as the Overman Act (see appendix) which was passed during the last World War to give the President power to redistribute the functions of the various governmental agencies so that the war effort could be prosecuted more expeditiously and efficiently.

Title I incorporates verbatim the language of the original act, except that—

(1) The word “Act” is changed to “title” so as to conform to the form of the bill here reported.

(2) The words “Commander in Chief of the land and naval forces,” in the first section, have been changed to “Commander in Chief of the Army and Navy,” the latter being considered the more appropriate language.

(3) Whereas the Overman Act provided that regulations and orders should be “filed with the head of the department affected and constitute a public record,” title I provides that regulations and orders

"shall be published in accordance with the Federal Register Act of 1935."

(4) Title I includes the words "governmental corporation" in appropriate places, so that the powers of the President thereunder will clearly extend to such corporations as well as to the other agencies of the Government.

(5) The provisions of the Overman Act as to the time of termination of its effectiveness have been omitted, and this question is taken care of by the provisions of title IV of the bill.

(6) There is not included in the bill the authority, which was contained in section 3 of the Overman Act, for the establishment of an agency to exercise jurisdiction and control over all airplane production, since such a provision would, under present conditions, be inapplicable and unnecessary.

(7) The words "except to the extent hereafter authorized by the Congress in appropriation acts or otherwise," which appear at the end of section 3 of title I, were not contained in the corresponding provision of the Overman Act.

## II

Title II of the bill is intended to speed up the procurement of war matériel. It empowers the President, whenever he deems such action would facilitate the prosecution of the war, to authorize agencies to enter into contracts with a maximum of speed, subject to such rules and regulations as he shall prescribe to protect the interest of the Government. Under this provision the President may authorize agencies, among other things: (a) To enter into contracts without competitive bidding in those cases where bidding is still required; (b) to enter into contracts without performance bonds; (c) to amend or modify contracts; (d) to make progress payments on contracts.

One of the objectives of this provision is to facilitate the letting of defense contracts to small businessmen who in many cases cannot make the goods at as low a price as the big corporations, who are often not in a position to furnish performance bonds, and who need progress payments.

Following the President's declaration of a national emergency in September 1939, certain restrictions on procurement arrangements were, from time to time, lifted by different statutes so that in most respects procurement procedure was made flexible. Nevertheless, some restrictions remain in force. Title II, in effect, liberalizes existing statutes relating to procurement and permits elimination of restrictions so as to give the procurement agencies the flexibility they need in the procurement of war matériel. (A substantially complete list of statutes involved is appended to this report.)

## III

Title III of the bill deals with the Trading With the Enemy Act, which originally became law on October 6, 1917, during the last war. Some sections of that act are still in effect. Some sections have terminated, and there is doubt as to the effectiveness of other sections.

Title III contains three provisions:

(1) Section 5 (b) of the Trading With the Enemy Act has been continued down to the present time. The existing system of foreign property control (commonly known as freezing control) is based on that

subdivision as last amended on May 7, 1940. That subdivision of section 5 as it is now in effect, however, does not give the broad powers to take, administer, control, use, liquidate, etc., such foreign-owned property that would be given by section 301 of the bill.

At present the Government exercises supervision over transactions in foreign property, either by prohibiting such transactions or by permitting them on condition and under license. It is, therefore, a system which can prevent transactions in foreign property prejudicial to the best interests of the United States, but it is not a system which can affirmatively compel the use and application of foreign property in those interests.

Section 301 remedies that situation by adding to the existing freezing control, in substance, the powers contained in the Trading With the Enemy Act with respect to alien property, extending those powers, and adding a flexibility of control which experience under the original act and the recent experience under freezing control have demonstrated to be advisable. The provisions of section 301 would permit the establishment of a complete system of alien property treatment. It vests flexible powers in the President, operating through such agency or agencies as he might choose, to deal with the problems that surround alien property or its ownership or control in the manner deemed most effective in each particular case. In this respect the bill avoids the rigidity and inflexibility which characterized the alien property custodian law enacted during the last war. The necessity for flexibility in legislation on this subject is accentuated by the vastness of the alien property problem confronting the Government today. At the peak of his activity, the Alien Property Custodian of the last war administered property valued at something over \$500,000,000. Today there is over \$7,000,000,000 worth of property already subject to the existing control.

This provision of the bill to a considerable extent follows the pattern of existing law and is a logical extension of the present foreign property control system, which has been operating very satisfactorily for almost 2 years. The extension could be put into immediate operation with a minimum amount of trouble or dislocation of legitimate activities.

(2) Section 302 of title III approves and ratifies action taken prior to the enactment of this legislation, under the Trading With the Enemy Act, as amended, which would have been authorized if the provisions of this proposed legislation had been in effect at the time of the taking of the action in question. This ratification provision is similar in principle to those heretofore adopted by Congress, applicable to action taken under section 5 (b) of the Trading With the Enemy Act. (See sec. 2 of the joint resolution of May 7, 1940, Public Res. No. 69, 76th Cong.; and sec. 1 of the act of March 9, 1933, 48 Stat. 1.)

(3) Section 303 is identical with the provisions of section 3 (d) of the Trading with the Enemy Act passed in 1917, except that it also contains provisions identical with section 16, the penalty provision of such act.

Section 3 (d) of the Trading With the Enemy Act authorized President Wilson, whenever he deemed that the public safety demanded it during the last World War, to cause to be censored, under such rules and regulations as he might from time to time establish, communications by mail, cable, radio, or any other means of transmission

between the United States and any foreign country. Section 303 of the present bill deals only with censorship of international communications and not with domestic censorship.

The authority given by this provision is the minimum necessary for an effective control over foreign communications. It seems likely that the President as Commander in Chief of the Army and Navy already has, during time of war, power to censor international communications. However, in a matter of such importance there should be no question about the extent of such power. It is especially important that the President's power extend not only to the direct means of communication but also to control over communications which may be carried by means of vessels, automobiles, or other means of transportation. Section 303 will make it absolutely clear that the President may censor all forms of foreign communication direct or indirect. It will further permit him, as a matter of administration, to set up an organization and definite rules under which the control is to be carried out.

#### IV

Title IV provides a time limit for titles I and II of the bill. It provides that these titles shall expire 6 months after the treaty of peace or at such earlier time as the Congress, by concurrent resolution, or the President may designate. The provisions in title III are limited by their own terms and thus do not require a special termination date.

#### CHANGES IN EXISTING LAW

The changes in section 5 (b) of the Trading with the Enemy Act, as amended, proposed by this legislation are shown as follows: Existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman.

##### SEC. 5. \* \* \*

(b) [During time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange, transfers of credit between or payments by or to banking institutions as defined by the President, and export, hoarding, melting, or earmarking of gold or silver coin or bullion or currency, and any transfer, withdrawal or exportation of, or dealing in, any evidences of indebtedness or evidences of ownership of property in which any foreign state or a national or political subdivision thereof, as defined by the President, has any interest, by any person within the United States or any place subject to the jurisdiction thereof; and the President may require any person to furnish under oath, complete information relative to any transaction referred to in this subdivision or to any property in which any such foreign state, national or political subdivision has any interest, including the production of any books of account, contracts, letters, or other papers, in connection therewith in the custody or control of such person, either before or after such transaction is completed.]

(1) *During the time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, and under such rules and regulations as he may prescribe, by means of instructions, licenses, or otherwise—*

(A) *investigate, regulate, or prohibit, any transactions in foreign exchange, transfers of credit or payments between, by, through, or to any banking institution, and the importing, exporting, hoarding, melting, or earmarking of gold or silver coin or bullion, currency or securities, and*

(B) *investigate, regulate, direct and compel, nullify, void, prevent or prohibit, any acquisition holding, withholding, use, transfer, withdrawal, transportation,*



importation or exportation of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest, by any person, or with respect to any property, subject to the jurisdiction of the United States; and any property or interest of any foreign country or national thereof shall vest, when, as, and upon the terms, directed by the President, in such agency or person as may be designated from time to time by the President, and upon such terms and conditions as the President may prescribe such interest or property shall be held, used, administered, liquidated, sold, or otherwise dealt with in the interest of and for the benefit of the United States, and such designated agency or person may perform any and all acts incident to the accomplishment or furtherance of these purposes; and the President may, in the manner hereinabove provided, require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction referred to in this subdivision either before, during, or after the completion thereof, or relative to any interest in foreign property, or relative to any property in which any foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of this subdivision, and in any case in which a report could be required, the President may, in the manner hereinabove provided, require the production, or if necessary to the national security or defense, the seizure, of any books of account, records, contracts, letters, memoranda, or other papers, in the custody or control of such person; and the President may, in the manner hereinabove provided, take other and further measures not inconsistent herewith for the enforcement of this subdivision.

(2) Any payment, conveyance, transfer, assignment, or delivery of property or interest therein, made to or for the account of the United States, or as otherwise directed, pursuant to this subdivision or any rule, regulation, instruction, or direction issued hereunder shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same; and no person shall be held liable in any court for or in respect to anything done or omitted in good faith in connection with the administration of, or in pursuance of and in reliance on, this subdivision, or any rule, regulation, instruction, or direction issued hereunder.

(3) As used in this subdivision the term "United States" means the United States and any place subject to the jurisdiction thereof, including the Philippine Islands, and the several courts of first instance of the Commonwealth of the Philippine Islands shall have jurisdiction in all cases, civil or criminal, arising under this subdivision in the Philippine Islands and concurrent jurisdiction with the district courts of the United States of all cases, civil or criminal, arising upon the high seas: *Provided, however, That the foregoing shall not be construed as a limitation upon the power of the President, which is hereby conferred, to prescribe from time to time, definitions, not inconsistent with the purposes of this subdivision, for any or all of the terms used in this subdivision.*

Whoever willfully violates any of the provisions of this subdivision or of any license, order, rule, or regulation issued thereunder, shall, upon conviction, be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both. As used in this subdivision the term "person" means an individual, partnership, association, or corporation.

## APPENDIX

The text of the Overman Act (40 Stat. 556) is set forth below for the information of the House:

AN ACT Authorizing the President to coordinate or consolidate executive bureaus, agencies, and offices, and for other purposes, in the interest of economy and the more efficient concentration of the Government

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That for the national security and defense, for the successful prosecution of the war, for the support and maintenance of the Army and Navy, for the better utilization of resources and industries, and for the more effective exercise and more efficient administration by the President of his powers as Commander in Chief of the land and naval forces, the President is hereby authorized to make such redistribution of functions among executive agencies as he may deem necessary, including any functions, duties, and powers hitherto by law conferred upon any executive department, commission, bureau, agency, office, or officer, in such manner as in his judgment shall seem best fitted to carry out the purposes of this Act, and to this end is authorized to make such regulations and to issue such orders as he may deem necessary, which regulations and orders shall be in writing and shall be filed with the head of the department affected and constitute a public record: *Provided*, That this Act shall remain in force during the continuance of the present war and for six months after the termination of the war by the proclamation of the treaty of peace, or at such earlier time as the President may designate: *Provided further*, That the termination of this Act shall not affect any act done or any right or obligation accruing or accrued pursuant to this Act and during the time that this Act is in force: *Provided further*, That the authority by this Act granted shall be exercised only in matters relating to the conduct of the present war.

SEC. 2. That in carrying out the purposes of this Act the President is authorized to utilize, coordinate, or consolidate any executive or administrative commissions, bureaus, agencies, offices, or officers now existing by law, to transfer any duties or powers from one existing department, commission, bureau, agency, office, or officer to another, to transfer the personnel thereof or any part of it either by detail or assignment, together with the whole or any part of the records and public property belonging thereto.

SEC. 3. That the President is further authorized to establish an executive agency which may exercise such jurisdiction and control over the production of aeroplanes, aeroplane engines, and aircraft equipment as in his judgment may be advantageous; and, further, to transfer to such agency, for its use, all or any moneys heretofore appropriated for the production of aeroplanes, aeroplane engines, and aircraft equipment.

SEC. 4. That for the purpose of carrying out the provisions of this Act, any moneys heretofore and hereafter appropriated for the use of any executive department, commission, bureau, agency, office, or officer shall be expended only for the purposes for which it was appropriated under the direction of such other agency as may be directed by the President hereunder to perform and execute said function.

SEC. 5. That should the President, in redistributing the functions among the executive agencies as provided in this Act, conclude that any bureau should be abolished and it or their duties and functions conferred upon some other department or bureau or eliminated entirely, he shall report his conclusions to Congress with such recommendations as he may deem proper.

SEC. 6. That all laws or parts of laws conflicting with the provisions of this Act are to the extent of such conflict suspended while this Act is in force.

Upon the termination of this Act all executive or administrative agencies, departments, commissions, bureaus, offices, or officers shall exercise the same functions, duties, and powers as heretofore or as hereafter by law may be provided, any authorization of the President under this Act to the contrary notwithstanding.

Approved, May 20, 1918.

The text of sections 3 (d) and 16 of the Trading with the Enemy Act, as amended, are set forth below for the information of the House:

SEC. 3 \* \* \*

(d) Whenever, during the present war, the President shall deem that the public safety demands it, he may cause to be censored under such rules and regulations as he may from time to time establish, communications by mail, cable, radio, or other means of transmission passing between the United States and any foreign country he may from time to time specify, or which may be carried by any vessel or other means of transportation touching at any port, place, or territory of the United States and bound to or from any foreign country. Any person who willfully evades or attempts to evade the submission of any such communication to such censorship or willfully uses or attempts to use any code or other device for the purpose of concealing from such censorship the intended meaning of such communication shall be punished as provided in section sixteen of this Act.

SEC. 16. That whoever shall willfully violate any of the provisions of this Act or of any license, rule, or regulation issued thereunder, and whoever shall willfully violate, neglect, or refuse to comply with any order of the President issued in compliance with the provisions of this Act shall, upon conviction, be fined not more than \$10,000, or, if a natural person, imprisoned for not more than ten years, or both; and the officer, director, or agent of any corporation who knowingly participates in such violation shall be punished by a like fine, imprisoned, or both, and any property, funds, securities, papers, or other articles or documents, or any vessel, together with her tackle, apparel, furniture, and equipment, concerned in such violation shall be forfeited to the United States.

STATUTES PERTINENT TO TITLE II CONCERNED WITH THE LETTING,  
ADMINISTERING, AND PERFORMANCE OF CONTRACTS

I. ADVERTISING

A. Statutes requiring advertising for bids for Government contracts:

- 41 United States Code: Section 5 (general provisions).
- 10 United States Code: Sections 310, 1200, 1201 (specific provisions).
- 34 United States Code: Sections 561, 566, 567 (specific provisions).
- 41 United States Code: Section 7 (specific provisions).

B. Neither 41 United States Code, section 5, nor any other of the above provisions apply to the Reconstruction Finance Corporation, the subsidiaries of that Corporation, such as the Defense Plant Corporation, or any other Government-owned corporation.

C. Statutes dispensing with the advertising requirement under certain circumstances not necessarily related to emergency situations:

- 10 United States Code: Sections 6-6 (n) (n), 1205.
- 34 United States Code: Sections 565, 569, 571.

D. Emergency appropriation acts authorizing the President to dispense with the advertising requirement:

- Seventy-sixth Congress: Public, Nos. 611, 703.
- Seventy-seventh Congress: Public, Nos. 9, 28.

E. Statutes authorizing the Secretaries of War and Navy, the Maritime Commission, and the Federal Works Administration to dispense with the advertising requirement under emergency circumstances:

- 50 United States Code, sec. 96:
- Seventy-sixth Congress: Public, Nos. 43, 168, 309, 629, 635, 671, 703, 781, 849.
- Seventy-seventh Congress: Public, Nos. 9, 22, 46, 48, 101, 137, 139, 143, 247.

II. PROVISIONS CONCERNING BONDS

A. Statutes requiring bonds for Government contracts and related provisions:

- 40 United States Code: Sections 270 (a)-270 (d).
- 41 United States Code: Section 7 (3).
- 34 United States Code: Section 562.

B. Statutes dispensing with some of the above restrictions under emergency conditions:

- Seventy-sixth Congress: Public, No. 309.
- Seventy-seventh Congress: Public, Nos. 5, 46, 139, 309.

## III. PROVISIONS CONCERNING ADVANCE AND PARTIAL PAYMENTS

A. 31 United States Code, Section 529, is a general prohibition against paying for any government purchase before delivery or before title is taken to it.

B. Statutes presently giving some, but inadequate, relief against these provisions:

34 United States Code: Section 582.

Seventy-sixth Congress: Public, Nos. 671, 703.





No hearing - see file

Union Calendar No. 520

77TH CONGRESS  
1ST SESSION

**H. R. 6233**

[Report No. 1507]



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IN THE HOUSE OF REPRESENTATIVES

DECEMBER 15, 1941

Mr. SUMNERS of Texas introduced the following bill; which was referred to the Committee on the Judiciary

DECEMBER 15, 1941

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

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## **A BILL**

To expedite the prosecution of the war effort.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **TITLE I—COORDINATION OF EXECUTIVE BU-**  
4 **REAUS IN THE INTEREST OF THE MORE**  
5 **EFFICIENT CONCENTRATION OF THE GOV-**  
6 **ERNMENT**

7 **SECTION 1.** That for the national security and defense,  
8 for the successful prosecution of the war, for the support and  
9 maintenance of the Army and Navy, for the better utiliza-  
10 tion of resources and industries, and for the more effective  
11 exercise and more efficient administration by the President of

1 his powers as Commander in Chief of the Army and Navy,  
2 the President is hereby authorized to make such redistribution  
3 of functions among executive agencies as he may deem neces-  
4 sary, including any functions, duties, and powers hitherto  
5 by law conferred upon any executive department, commis-  
6 sion, bureau, agency, governmental corporation, office, or  
7 officer, in such manner as in his judgment shall seem best  
8 fitted to carry out the purposes of this title, and to this end  
9 is authorized to make such regulations and to issue such  
10 orders as he may deem necessary, which regulations and  
11 orders shall be in writing and shall be published in accordance  
12 with the Federal Register Act of 1935: *Provided*, That the  
13 termination of this title shall not affect any act done or any  
14 right or obligation accruing or accrued pursuant to this title  
15 and during the time that this title is in force: *Provided fur-*  
16 *ther*, That the authority by this title granted shall be ex-  
17 ercised only in matters relating to the conduct of the present  
18 war.

19 SEC. 2. That in carrying out the purposes of this title  
20 the President is authorized to utilize, coordinate, or con-  
21 solidate any executive or administrative commissions, bu-  
22 reaus, agencies, governmental corporations, offices, or officers  
23 now existing by law, to transfer any duties or powers from  
24 one existing department, commission, bureau, agency, govern-  
25 mental corporation, office, or officer to another, to transfer

1 the personnel thereof or any part of it either by detail or  
2 assignment, together with the whole or any part of the  
3 records and public property belonging thereto.

4       SEC. 3. That for the purpose of carrying out the provi-  
5 sions of this title, any moneys heretofore and hereafter ap-  
6 propriated for the use of any executive department, commis-  
7 sion, bureau, agency, governmental corporation, office, or  
8 officer shall be expended only for the purposes for which it  
9 was appropriated under the direction of such other agency as  
10 may be directed by the President hereunder to perform and  
11 execute said functions, except to the extent hereafter author-  
12 ized by the Congress in appropriation Acts or otherwise.

13       SEC. 4. That should the President, in redistributing the  
14 functions among the executive agencies as provided in this  
15 title, conclude that any bureau should be abolished and it or  
16 their duties and functions conferred upon some other de-  
17 partment or bureau or eliminated entirely, he shall report  
18 his conclusions to Congress with such recommendations as  
19 he may deem proper.

20       SEC. 5. That all laws or parts of laws conflicting with  
21 the provisions of this title are to the extent of such conflict sus-  
22 pended while this title is in force.

23       Upon the termination of this title all executive or adminis-  
24 trative agencies, governmental corporations, departments,  
25 commissions, bureaus, offices, or officers shall exercise the

1 same functions, duties, and powers as heretofore or as here-  
2 after by law may be provided, any authorization of the  
3 President under this title to the contrary notwithstanding.

## 4 TITLE II—CONTRACTS

5 SEC. 201. The President may authorize any department  
6 or agency of the Government exercising functions in con-  
7 nection with the prosecution of the war effort, in accordance  
8 with regulations prescribed by the President for the protec-  
9 tion of the interests of the Government, to enter into contracts  
10 and into amendments or modifications of contracts hereto-  
11 fore or hereafter made and to make advance, progress and  
12 other payments thereon, without regard to the provisions of  
13 law relating to the making, performance, amendment, or  
14 modification of contracts whenever he deems such action  
15 would facilitate the prosecution of the war: *Provided*, That  
16 nothing herein shall be construed to authorize the use of the  
17 cost-plus-a-percentage-of-cost system of contracting.

## 18 TITLE III—TRADING WITH THE ENEMY

19 SEC. 301. The first sentence of subdivision (b) of sec-  
20 tion 5 of the Trading With the Enemy Act of October 6,  
21 1917 (40 Stat. 411), as amended, is hereby amended to read  
22 as follows:

23 “(1) During the time of war or during any other period  
24 of national emergency declared by the President, the Presi-  
25 dent may, through any agency that he may designate, or

1 otherwise, and under such rules and regulations as he may  
2 prescribe, by means of instructions, licenses, or otherwise—

3 “(A) investigate, regulate, or prohibit, any transac-  
4 tions in foreign exchange, transfers of credit or payments  
5 between, by, through, or to any banking institution, and  
6 the importing, exporting, hoarding, melting, or earmark-  
7 ing of gold or silver coin or bullion, currency or securities,  
8 and

9 “(B) investigate, regulate, direct and compel,  
10 nullify, void, prevent or prohibit, any acquisition hold-  
11 ing, withholding, use, transfer, withdrawal, transporta-  
12 tion, importation or exportation of, or dealing in, or  
13 exercising any right, power, or privilege with respect  
14 to, or transactions involving, any property in which any  
15 foreign country or a national thereof has any interest,  
16 by any person, or with respect to any property, subject to  
17 the jurisdiction of the United States; and any property or  
18 interest of any foreign country or national thereof shall vest,  
19 when, as, and upon the terms, directed by the President, in  
20 such agency or person as may be designated from time to  
21 time by the President, and upon such terms and conditions  
22 as the President may prescribe such interest or property shall  
23 be held, used, administered, liquidated, sold, or otherwise  
24 dealt with in the interest of and for the benefit of the United  
25 States, and such designated agency or person may perform



1 any and all acts incident to the accomplishment or further-  
2 ance of these purposes; and the President may, in the manner  
3 hereinabove provided, require any person to keep a full record  
4 of, and to furnish under oath, in the form of reports or other-  
5 wise, complete information relative to any act or transaction  
6 referred to in this subdivision either before, during, or after  
7 the completion thereof, or relative to any interest in foreign  
8 property, or relative to any property in which any foreign  
9 country or any national thereof has or has had any interest,  
10 or as may be otherwise necessary to enforce the provisions  
11 of this subdivision, and in any case in which a report could be  
12 required, the President may, in the manner hereinabove pro-  
13 vided, require the production, or if necessary to the national  
14 security or defense, the seizure, of any books of account,  
15 records, contracts, letters, memoranda, or other papers, in the  
16 custody or control of such person; and the President may, in  
17 the manner hereinabove provided, take other and further  
18 measures not inconsistent herewith for the enforcement of this  
19 subdivision.

20 “(2) Any payment, conveyance, transfer, assignment,  
21 or delivery of property or interest therein, made to or for  
22 the account of the United States, or as otherwise directed,  
23 pursuant to this subdivision or any rule, regulation, instruc-  
24 tion, or direction issued hereunder shall to the extent thereof  
25 be a full acquittance and discharge for all purposes of the



1 obligation of the person making the same; and no person  
2 shall be held liable in any court for or in respect to anything  
3 done or omitted in good faith in connection with the admin-  
4 istration of, or in pursuance of and in reliance on, this  
5 subdivision, or any rule, regulation, instruction, or direction  
6 issued hereunder.

7       “(3) As used in this subdivision the term “United  
8 States” means the United States and any place subject to  
9 the jurisdiction thereof, including the Philippine Islands, and  
10 the several courts of first instance of the Commonwealth of  
11 the Philippine Islands shall have jurisdiction in all cases,  
12 civil or criminal, arising under this subdivision in the Philip-  
13 pine Islands and concurrent jurisdiction with the district  
14 courts of the United States of all cases, civil or criminal,  
15 arising upon the high seas: *Provided, however,* That the  
16 foregoing shall not be construed as a limitation upon the  
17 power of the President, which is hereby conferred, to pre-  
18 scribe from time to time, definitions, not inconsistent with  
19 the purposes of this subdivision, for any or all of the terms  
20 used in this subdivision.”

21       SEC. 302. All acts, actions, regulations, rules, orders,  
22 and proclamations heretofore taken, promulgated, made, or  
23 issued by, or pursuant to the direction of, the President or  
24 the Secretary of the Treasury under the Trading With the  
25 Enemy Act of October 6, 1917 (40 Stat. 411), as amended,

1 which would have been authorized if the provisions of this  
2 Act and the amendments made by it had been in effect,  
3 are hereby approved, ratified, and confirmed.

4       SEC. 303. Whenever, during the present war, the  
5 President shall deem that the public safety demands it, he  
6 may cause to be censored under such rules and regulations  
7 as he may from time to time establish, communications by  
8 mail, cable, radio, or other means of transmission passing  
9 between the United States and any foreign country he may  
10 from time to time specify, or which may be carried by any  
11 vessel or other means of transportation touching at any  
12 port, place, or Territory of the United States and bound to  
13 or from any foreign country. Any person who willfully  
14 evades or attempts to evade the submission of any such  
15 communication to such censorship or willfully uses or at-  
16 tempts to use any code or other device for the purpose of  
17 concealing from such censorship the intended meaning of  
18 such communication shall, upon conviction, be fined not  
19 more than \$10,000, or, if a natural person, imprisoned for  
20 not more than ten years, or both; and the officer, director,  
21 or agent of any corporation who knowingly participates in  
22 such violation shall be punished by a like fine, imprison-  
23 ment, or both, and any property, funds, securities, papers, or  
24 other articles or documents, or any vessel, together with her

1 tackle, apparel, furniture, and equipment, concerned in such  
2 violation shall be forfeited to the United States.

3 TITLE IV—TIME LIMIT AND SHORT TITLE

4 SEC. 401. Titles I and II of this Act shall remain in  
5 force during the continuance of the present war and for six  
6 months after the termination of the war, or until such earlier  
7 time as the Congress by concurrent resolution or the President  
8 may designate.

9 SEC. 402. This Act may be cited as the "First War  
10 Powers Act, 1941."





77<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 6233**

[Report No. 1507]

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# **A BILL**

To expedite the prosecution of the war effort.

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By Mr. SUMNERS of Texas

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DECEMBER 15, 1941

Referred to the Committee on the Judiciary

DECEMBER 15, 1941

Committed to the Committee of the Whole House on  
the state of the Union and ordered to be printed

CONSIDERATION OF H. R. 6233 TO EXPEDITE THE PROSECUTION OF THE WAR EFFORT

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DECEMBER 15, 1941.—Referred to the House Calendar and ordered to be printed

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Mr. NELSON, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 389]

The Committee on Rules, having had under consideration House Resolution 389, report the same to the House with the recommendation that the resolution do pass.







77TH CONGRESS  
1ST SESSION

# H. RES. 389

[Report No. 1506]

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 15, 1941

Mr. NELSON, from the Committee on Rules, reported the following resolution;  
which was referred to the House Calendar and ordered to be printed

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## RESOLUTION

1       *Resolved*, That upon the adoption of this resolution it shall  
2 be in order to move that the House resolve itself into the  
3 Committee of the Whole House on the state of the Union  
4 for the consideration of the bill (H. R. 6233) to expedite  
5 the prosecution of the war effort. That after general debate,  
6 which shall be confined to the bill and continue not to exceed  
7 two hours, to be equally divided and controlled by the chair-  
8 man and ranking minority member of the Committee on the  
9 Judiciary, the bill shall be read for amendment under the five-  
10 minute rule. At the conclusion of such consideration, the  
11 Committee shall rise and report the bill to the House with  
12 such amendments as may have been adopted and the previous  
13 question shall be considered as ordered on the bill and amend-  
14 ments thereto to final passage without intervening motion,  
15 except one motion to recommit.

77<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. RES. 389

[Report No. 1506]

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## RESOLUTION

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For the consideration of H. R. 6233, a bill to expedite the prosecution of the war effort.

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By Mr. NELSON

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DECEMBER 15, 1941

Referred to the House Calendar and ordered to be printed





Mr. CLARK of Missouri. Mr. President, I make the point of order that that motion is not in order.

The VICE PRESIDENT. The point of order is sustained. A second motion to reconsider is not in order.

#### CONTROL OF STRIKES IN DEFENSE INDUSTRIES

Mr. CONNALLY. Mr. President, it had been my purpose to move today to take up for consideration by the Senate my bill (S. 2054) relating to the use and operation by the United States of certain plants in the interests of the national defense. This bill would have been taken up by the Senate some days ago but for the untimely death of our late distinguished colleague, Senator Adams, of Colorado, and the attendance upon his funeral of many Senators.

Since that time the President has called a conference of industry and labor with a view to having these interests agree upon a national-defense program which shall prevent strikes and stoppages of production of national-defense articles in all industries during the pending war.

My reason for not moving today to proceed with the consideration of this bill is that the administration, the leadership in the Senate, and the entire membership of the Committee on Education and Labor, before which are pending all other bills relating to strikes and stoppages of work in industry, have desired that my bill not be now acted upon. They desire that the matter be held in abeyance until after the meeting of the national conference of representatives of industry and labor. In the face of the suggestions made by the Committee on Education and Labor, the leadership of the Senate, and the administration, it would be entirely futile for me to urge or move that the Senate proceed to the consideration of my bill at this particular moment.

However, I desire to make it clear that I am in no wise slackening my interest or my desire that Senate bill 2054 be enacted at the earliest possible moment.

I am unwilling that during the pending foreign wars we shall take any hazards or risks, through strikes or any other cause, of impairment of the continued production of national-defense articles.

My bill is a rational, simple, and effective measure to insure the continuous production of national-defense articles by the Government taking over any strike-bound plant and operating it. It provides for freezing labor relationships as they existed prior to the strike, and for the adjustment of wage scales by a Government board whose duty it will be, upon a petition of a majority of the employees within a plant, to investigate the fairness or justice of wages.

The bill is essentially a national-defense bill. It is not antiemployer. It is not antiemployee. It is for the United States of America, and its safety and protection.

The bill was referred to the Committee on the Judiciary, which held extensive hearings through a subcommittee. During these hearings the bill was approved by Judge Robert P. Patterson, Undersecretary of War, for the War Department. It was approved by Assistant Sec-

retary of the Navy Forrestal, for the Navy Department. It was approved by Admiral Emory S. Land, Chairman of the Maritime Commission, for that Commission. These are the three Government agencies primarily concerned with the production of war supplies. All three agencies approved the measure without amendment, and urged its passage. The subcommittee of the Judiciary Committee, consisting of two Republicans and three Democrats—Senators HATCH, DOXEY, AUSTIN, BURTON, and CONNALLY—unanimously approved the bill. The full Judiciary Committee reported it favorably to the Senate by a vote of 12 to 2.

The bill stands as the only measure with such backing and such support. It is a simple, liberal measure, looking primarily to the interests of the Government of the United States, and not those of any selfish or sordid group. It ought to pass. It ought to become the law. It will stop strikes. It will be fair to labor. It is fair to industry. Best of all, it is fair and just to the country we love.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 1047) to amend an act of Congress entitled "An act to regulate to employment of minors within the District of Columbia," approved May 29, 1928.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 5800) authorizing advancements from the Federal Works Administrator for the provision of certain defense public works and equipment in the District of Columbia, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3019) to amend the act entitled "An act to prohibit the manufacture, distribution, storage, use, and possession in time of war of explosives, providing regulations for the safe manufacture, distribution, storage, use, and possession of the same, and for other purposes," approved October 6, 1917 (40 Stat. 385).

The message also announced that the House had passed a bill (H. R. 6223) to establish the composition of the United States Navy, to authorize the construction of certain naval vessels, and for other purposes, in which it requested the concurrence of the Senate.

#### HOUSE BILL PLACED ON CALENDAR

The bill (H. R. 6223) to establish the composition of the United States Navy, to authorize the construction of certain naval vessels, and for other purposes, was read twice by its title and ordered to be placed on the calendar.

#### REENACTMENT OF OVERMAN AND TRADING WITH THE ENEMY ACTS

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 948, Senate bill 2129, to expedite the prosecution of the war effort. This is a bill from the Committee on the Judiciary which in

substance provides a reenactment of certain provisions of the so-called Overman Act of 1917, and the Trading With the Enemy Act of 1917. I shall not make a statement about it at this time.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2129) to expedite the prosecution of the war effort.

Mr. VANDENBERG. I suggest the absence of a quorum.

The VICE PRESIDENT. The Clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	O'Daniel
Austin	Glass	Overton
Bailey	Green	Pepper
Ball	Guffey	Radcliffe
Bankhead	Gurney	Reed
Barkley	Hatch	Reynolds
Bilbo	Hayden	Rosier
Brewster	Herring	Russell
Bridges	Hill	Schwartz
Brooks	Hoiman	Shipstead
Brown	Hughes	Smathers
Bulow	Johnson, Calif.	Smith
Bunker	Johnson, Colo.	Spencer
Burton	Kilgore	Stewart
Butler	La Follette	Taft
Byrd	Langer	Thomas, Idaho
Capper	Lee	Thomas, Okla.
Caraway	Lodge	Thomas, Utah
Chandler	Lucas	Tobey
Chavez	McCarran	Truman
Clark, Idaho	McFarland	Tunnell
Clark, Mo.	McKellar	Tydings
Connally	McNary	Vandenberg
Danaher	Maloney	Van Nuys
Davis	Maybank	Wallgren
Downey	Mead	Walsh
Doxey	Murdock	Wheeler
Ellender	Murray	White
George	Norris	Wiley
Gerry	Nye	Willis

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Ninety Senators having answered to their names, a quorum is present.

#### AMENDMENT OF LAW RELATING TO WHEAT-MARKETING QUOTAS—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5726) to amend Public Law No. 74 of the Seventy-seventh Congress, relating to wheat-marketing quotas under the Agricultural Adjustment Act of 1938, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, and 3.

J. H. BANKHEAD,  
ELMER THOMAS,  
E. D. SMITH,  
\* GEORGE D. AIKEN,  
*Managers on the part of the Senate.*  
H. P. FULMER,  
JOHN W. FLANNAGAN, Jr.,  
CLIFFORD R. HOPE,  
*Managers on the part of the House.*

The report was agreed to.

#### REENACTMENT OF OVERMAN AND TRADING WITH THE ENEMY ACTS

The Senate resumed consideration of the bill (S. 2129) to expedite the prosecution of the war effort.

Mr. VANDENBERG. Mr. President, I am unwilling to have the Senate proceed to the consideration of a measure of this



magnitude with only 10 or 12 Members on the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	O'Daniel
Austin	Glass	Overton
Bailey	Green	Pepper
Ball	Guffey	Radcliffe
Bankhead	Gurney	Reed
Barkley	Hatch	Reynolds
Elbo	Hayden	Rosier
Brewster	Herring	Russell
Bridges	Holman	Schwartz
Brooks	Hughes	Shipstead
Brown	Johnson, Calif.	Smathers
Bulow	Johnson, Colo.	Smith
Bunker	Kilgore	Spencer
Burton	La Follette	Stewart
Butler	Langer	Taft
Byrd	Lee	Thomas, Idaho
Capper	Lodge	Thomas, Okla.
Caraway	Lucas	Thomas, Utah
Chandler	McCarran	Tobey
Chavez	McFarland	Truman
Clark, Idaho	McKellar	Tunnell
Clark, Mo.	McNary	Tydings
Connally	Maloney	Vandenberg
Danaher	Maybank	Van Nuys
Davis	Mead	Wallgren
Downey	Murdock	Walsh
Doxey	Murray	Wheeler
Ellender	Norris	White
George	Nye	Wiley
Gerry		Willis

The PRESIDING OFFICER (Mr. DOXEY in the chair). Ninety Senators have answered to their names. A quorum is present. Senate bill 2129 is before the Senate and is open to amendment.

Mr. McNARY. Mr. President, I had assumed that the able Senator in charge of the bill would make a very thorough, frank, and open statement concerning the provisions of the bill, and particularly with reference to any amplification of what is known as the old Overman Act, passed in 1917, and whether the measure now under consideration exceeds the Overman Act in authority. I am sure the able Senator from Indiana can inform us in an enlightened way on this measure and its objectives.

Mr. VAN NUYS. Mr. President, I am very happy to comply with the suggestion of the Senator from Oregon, and to give a brief history of the bill. The bill was prepared in the Department of Justice; and at the request of the Department, I introduced it, and it was referred to the Committee on the Judiciary. Yesterday the Attorney General, together with members of his staff, appeared before the full Committee on the Judiciary. There was a good attendance of the committee, and from 10:30 to 12:30 the bill was analyzed with care and study. Certain suggestions were made by members of the committee, and accepted by the Attorney General, more as to the matter of phraseology than as to the material terms of the bill. Late last evening the whole committee voted unanimously to approve the bill.

In a nutshell, the bill grants to the President of the United States the same war powers that were exercised by President Wilson during the last World War—and exercised by him with a great degree of success.

Title I of the bill reenacts the measure mentioned by the Senator from Oregon,

commonly known as the Overman Act, which was approved May 20, 1918.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. VAN NUYS. I yield.

Mr. VANDENBERG. Before the Senator from Indiana leaves his statement that the bill is a general reenactment of the war powers given President Wilson, will the Senator indicate whether the bill in any respect goes beyond the war powers yielded to President Wilson?

Mr. VAN NUYS. It does so not in reference to the Overman Act, under title I; but when it comes to the Trading With the Enemy Act, in the provisions for seizure and freezing of alien property, it goes further, and not only freezes it, but seizes the property; possession of it vests in the United States, and the property is to be liquidated and disposed of under the rules and regulations of the Department. To that extent it exceeds the powers granted President Wilson.

Mr. VANDENBERG. I should certainly have no complaint against that particular expansion of power. Is that the only additional expansion of power?

Mr. VAN NUYS. Title II is a new paragraph. It was not in the Trading With the Enemy Act, or in the old Overman Act. Title II is new. Indeed, it goes beyond the powers granted to President Wilson. It is very short, and I will read the substance of it:

#### TITLE II—CONTRACTS

SEC. 201. The President may authorize any department or agency of the Government exercising functions in connection with the prosecution of the war effort, in accordance with regulations prescribed by the President for the protection of the interests of the Government, to enter into contracts and into amendments or modifications of contracts heretofore or hereafter made and to make advance, progress, and other payments thereon, without regard to the provisions of law relating to the making, performance, amendment, or modification of contracts whenever he deems such action would facilitate the prosecution of the war: *Provided*, That nothing herein shall be construed to authorize the use of the cost-plus-a-percentage-of-cost system of contracting.

Title II, section 201 of the instant bill, is entirely new. The objective of title II is twofold—not only to speed up production and to obtain all sorts of materials efficiently and speedily, but also to be of assistance to the small business man. Under the present system it is almost impossible for a man of limited means to enter into some of these contracts if he has to engage in competitive bidding, if he has to put up a performance bond, and if he does not get progress payments as the material is produced. For instance, a man may have a small industrial plant capable of manufacturing some articles necessary for defense but he does not have the means or the working capital to undertake the work. The expense of a performance bond prohibits him from purchasing such a bond. Under the terms of title II the President himself may or he may direct any agency to relieve such a small business man from executing or buying a performance bond, and progress payments may be made as

the work develops. I think under an existing statute 30 percent is as much as can be advanced until the work is completed and delivered. Under the terms of this amendment the President could pay to the subcontractor or the small business man the entire price for the work if, in his wisdom, he thought it was safe and secure to do that.

Mr. TAFT. Mr. President, am I correct in stating that that provision would also permit the President to remove all limitations on profits and any other provisions that now limit the Army and Navy in making contracts?

Mr. VAN NUYS. It was not the understanding of the Attorney General nor of any member of the committee that such results would accrue under title II.

Mr. TAFT. I do not see why not, because it says:

Without regard to the provisions of law relating to the making, performance, amendment, or modification of contracts.

So I should think this provision would supersede any law relating to contracts and that it would permit a 10-percent profit or a 15-percent profit. Of course, there are many other limitations now provided, but that one occurs to me as one which would apparently be changed by this proposed law.

Mr. VAN NUYS. If the Senator will cite the law, I will be glad to know of it. No statute was cited to us that would accomplish what the Senator says.

Mr. TAFT. We enacted a law last year, as I recall, limiting profits on naval construction to 6 or 7 percent. As I understand this bill, all limits are removed; the President may disregard that law and modify any contract that is already made and make new contracts without regard to the provisions of existing law.

Mr. VAN NUYS. I do not think that is so. That law has been repealed, as I recall. I will ask the Senator from Kentucky if that is not correct?

Mr. BARKLEY. It was amended to raise the limit on profits; but the general law is still in effect. This provision is not intended to affect that law; it pertains to the making of contracts, the performance of them, and the amendment or modification of contracts. Under the present law there is a very definite limitation on the power of the Government to modify or limit contracts as they are being performed or as the exigencies may require; but this provision has no effect on any limitation Congress has heretofore placed on profits of any concern manufacturing material, munitions, or supplies for the Government. It refers to the making and the performance of the contract; it is more of a physical nature than a financial nature, and, of course, it does not authorize the making of cost-plus contracts with which we have had so much trouble heretofore.

Mr. VAN NUYS. In a memorandum prepared by the Department of Justice there are set forth four objectives which it is sought to reach by this provision. The first is to enter into contracts without competitive bidding in the few cases where competitive bidding is still required; second, to enter into contracts



without performance bonds; third, to amend contracts; fourth, to make progress payments on contracts. Those are the four objectives intended to be reached by this new paragraph.

Mr. TAFT. May I ask the Senator another question?

Mr. VAN NUYS. Certainly.

Mr. TAFT. It seems to me that the language is so clear that there can be, in my opinion, not the slightest doubt that this does change the contract laws as well as merely the procedure of making contracts. It will be considered, I say, to relieve, as an example, the limitation on profits. I do not know that I object to lifting such a limitation, but I think we ought to be clear about what the effect will be. Evidently the committee itself was in doubt because the proviso at the end of title II reads:

That nothing herein shall be construed to authorize the use of the cost-plus-a-percentage-of-cost-system of contracting.

That is the only limitation left as I see it, and evidently it was thought that if that proviso were not put in, even cost-plus contracts would be permitted. But when it comes to the question of limitation on the amount of profit it seems to me clear that this provision takes all limit off and the President can do as he pleases after this bill shall have been passed.

Mr. BARKLEY. Mr. President, if the Senator from Indiana will yield to me in that connection I think it ought to be observed that the question of the limitation of profit is a matter of law and is not a matter of contract between the Government and some individual. It is a matter of law passed by the Congress. This simply provides really for the physical making of contracts and the terms of contracts; it does not include a limitation of profits, but no contract could be entered into that would change the law with respect to the limitation on profits. It is not intended that that should be done, and the last proviso, as I understand it, simply sets forth very clearly that nothing in this act shall be construed to authorize the cost-plus system, with which we have had so much difficulty in the past.

Mr. DANAHER. Mr. President, will the Senator from Indiana yield to me?

Mr. VAN NUYS. I yield.

Mr. DANAHER. With the Senator's permission, I should like to recur to the question propounded to the Senator from Ohio. It was my understanding, as I sat in the committee and listened to the explanation, that whatever powers are contemplated under title II are necessary. We start with that. It is my understanding that the bill would enlarge vastly the powers of the President in the particulars mentioned. I favor title II, just as I favor the bill, because our whole effort was designed, within the meaning of the language appearing in lines 14 and 15, to provide for the modification of contracts whenever the President deems such action will facilitate the prosecution of the war. But, Mr. President, I think neither the Senator from Indiana nor the Senator from Kentucky need seek to divert attention from the results otherwise to be

anticipated through the operations under this title, just as they are implicit in the question propounded by the Senator from Ohio. They do save a certain protection to the Government, and they appear in two places in this particular section.

Let me invite attention to lines 7 and 8, where it is provided that "the President may authorize any department or agency of the Government exercising functions in connection with the prosecution of the war effort" to accomplish the results here in mind, "in accordance with regulations prescribed by the President for the protection of the interests of the Government."

In other words, the first thing he must do as Chief Executive is to provide regulations which will be in the interest of the Government and which will apply generally to any modification or extension of the contract authorization or powers derived from the act.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DANAHER. I will yield in a moment.

Let me add a second corollary—that we also have the limitation upon profits which derives from the tax laws as well as any that would be implicit or expressed in the regulations prescribed by the President.

One concluding thought, Mr. President. In my understanding of the application of title II, the proviso was put in for the express purpose of making certain that nothing herein should authorize the use of the cost-plus-a-percentage-of-cost system of contracting, for the very reason that the Senator from Ohio has correctly stated; but it does operate as a blanket proviso and a protection for the interests of the Government, having in mind the other two protections I have already outlined.

Mr. TAFT. Mr. President, will the Senator from Indiana yield for a moment?

Mr. VAN NUYS. I yield.

Mr. TAFT. As I understand, then, the Senator from Connecticut differs with the Senator from Indiana and the Senator from Kentucky in feeling that the regulations which the President may issue under this law may supersede any laws of Congress, including those imposing limitations of profit on the contracts which have already been made.

Mr. VAN NUYS. Mr. President, let me ask the Senator from Ohio a question.

Mr. TAFT. Certainly.

Mr. VAN NUYS. Suppose we put after the proviso on line 17 the following words:

*Provided further, That nothing herein shall be construed to affect any limitation upon profits.*

Would that cover the matter?

Mr. TAFT. Mr. President, that would meet to some extent the question I raised. I only used that, however, as an example to show that this is a broad and far-reaching power, I think broader than we realize. There may be other provisions which should be changed. I have had an opportunity to examine this measure only this morning. I think probably it would be wise to continue the limitations on

profits. There may be other things that it might be wise to do also. I do not know. If the committee feels that such a limitation is desirable—and I rather think it is—I think it is not the only thing we should consider.

Mr. BARKLEY. Mr. President, what was the language suggested by the Senator from Indiana at the end of the proviso?

Mr. VAN NUYS. "Provided further, That nothing herein shall be construed to affect any limitation upon profits."

Mr. BARKLEY. "Under existing law?"

Mr. VAN NUYS. "Under existing law."

Mr. BARKLEY. I should not have any objection to that language. I do not think the bill has that effect; but, if it is necessary or desirable to say so, there is no objection to it.

Mr. VANDENBERG. Mr. President, may I ask for an interpretation of the meaning of the words in line 10, page 2, "or modifications of contracts?" Does that language mean that the President might change the price in a contract in any way he saw fit, for anybody, at any time or place, of course assuming that it would be in what he believed to be the national interest? Would this language grant him the right to make any contract, at any price he pleased, with anybody?

Mr. VAN NUYS. It would enable him to modify a contract by consent. Under the present law, a contract cannot be modified even with the consent of both parties.

Mr. VANDENBERG. Then this language does permit possible modification of a contract?

Mr. VAN NUYS. By consent of both parties; yes.

Mr. VANDENBERG. That wipes out, then, all statutory protection in respect to competitive bids, and all price-control in respect to contracts, except as prescribed by the President? Is that correct?

Mr. VAN NUYS. There are now very few statutes requiring competitive bids; and it was announced by the Department, as I have read, that one of the objectives of this new section is to permit the Government to enter into contracts without competitive bidding. In committee we went into detail into the question of competitive bidding, and it was agreed by all that it costs the Government more than it otherwise would cost to enter into contracts through competitive bids, and would very materially delay production; so, for the purpose of expediting production and reducing the cost, this provision would suspend competitive bidding during the operation of this law.

Mr. VANDENBERG. Suppose we pass a general price-control bill next week, or the week after next, for the purpose, let us say for the sake of the argument, of putting a ceiling upon certain prices: Would this language permit the President to lift defense production from under the price-control ceiling?

Mr. BARKLEY. Mr. President, if the Senator will yield at that point, I may say that, while we do not yet know what



sort of price legislation will be enacted, the committee hopes and expects to have a bill on the subject ready for consideration immediately after the Christmas holidays. That legislation, in all probability, will provide a general price ceiling. I very seriously doubt if it will affect, except in a general way, the terms of any contract which has been made between the Government and any producer, we will say, of shells or airplanes. I very much doubt whether any price administrator under any law could fix a ceiling for the price of airplanes or shells or other products which the Government has to have in the way of munitions. So I very much doubt if there would be any conflict at all between the general price ceiling and contracts entered into between the Government and private industry for the production of necessary materials.

Mr. VANDENBERG. I am trying to find out the extent of the new authority. Let us say that we do create price control, and let us say that under the operation of the machinery the price of copper is fixed at 15 cents a pound: May the President buy copper for 20 cents a pound under this language, even if the price-control bill has fixed a price of 15 cents?

Mr. BARKLEY. As I understand, the object of this section is to give the departments or the President, whoever exercises the authority, more flexibility not only in making contracts but in the necessary modification of them if it becomes necessary to modify them in the interest of the Government or in the interest of national defense. It might be that in some cases the Government would buy raw copper. I am not sure that it would. It is more apt to buy the finished product made of copper, of which copper is a component part. It is the finished product under the contract with regard to which the Government is entering into the relationship, and not the price of the raw copper, or even the price of the raw steel that enters into an airplane, or into a tank, or into any necessary munition of war for which contracts are made.

As a rule, the Government does not enter into contracts in regard to these matters in detail as to the component parts that go into the finished products. It is the finished product for which the Government has contracted; and, in my judgment, the price relationship as fixed by any price bill or any price administrator would be maintained. It might be possible that the price of the finished product, whether an airplane or a tank or an automobile or a motor or a truck or a shell or anything else, would be governed to some extent by the cost of the things that went into the manufacture of the product, which might be fixed by the Price Administrator.

Mr. VANDENBERG. All I was trying to find out was what validity there was for the original statement made by the Senator from Kentucky that this was a rather limited sort of delegation of power which was more or less procedural in its character. I am trying to find out whether, as a matter of cold reality, this provision does not delegate to the Presi-

dent—perhaps we shall have to do it, but let us know what we are doing—complete, final contractual power over the entire operation.

Mr. BARKLEY. Mr. President, if the Senator will permit me I should say that the provision does delegate complete authority over the contractual relation as to the thing contracted for. It does not delegate complete executive authority over the prices of things a contractor may have to buy or obtain in order to produce the article which is the subject of the contract entered into between him and the Government. We have to keep in mind the difference between what the Government is buying and contracting for as one thing, a completed entity for the defense program, and the prices of the various articles which go into it. For instance, the Government might enter into a contract with a contractor or a construction company for the construction of a cantonment, or housing, or any other thing that is built out of lumber or steel. The subject, of course, would be the contract for the finished product. That does not mean, as I understand, that the President could go down the line in every detail in all the raw materials and commodities that go into the manufacture or construction of such things, and control the prices of them, as against any price control exercised under the price-control legislation which later will be considered.

Mr. VANDENBERG. I do not see how the Senator from Kentucky can make that statement in view of the language in line 10, page 4, which gives the President unlimited authority for the modification of contracts. Certainly the word "modification" without limit covers everything, does it not?

Mr. BARKLEY. Of course, it is possible to conjure up all sorts of situations.

Mr. VANDENBERG. I am not trying to conjure up anything. I am merely trying to find out what power we are delegating.

Mr. BARKLEY. If I should enter into a contract with the Senator from Michigan for building tanks at so much per tank, and it should later turn out that there ought to be some modification of the contract under which he was to deliver to me tanks and I was to pay for them, it would not follow that modification of the contract as to the price, or the time of delivery, or the type of tank that might be delivered, would go all the way down to the mine which produced the ore from which the steel was made, or that any other of the component parts entering into the manufacture of a tank would be under the control of the President. It is the contract for the manufacture and delivery of the tanks, if that happened to be the subject of the contract, which he has a right to modify.

Mr. VANDENBERG. The only thing I am thinking of is that the power is not to be exercised by the President; he will function through subordinates, and through those to whom the authority is sublet; and I think that for the protection of the President as well as for the protection of the integrity of the general operations, we cannot be too careful in safeguarding the processes by which

these multiple billions of dollars are to be expended. There is suggestion enough already of scandalous waste, to say the least, if not more. I am merely making my inquiry, because I should hesitate to see the President assume a responsibility so great that even not only the justification but the honesty of the contracts themselves might be carried to his doorstep. Perhaps it is necessary; at any rate, I want to be sure what is going on, and that is the reason for my question.

Mr. VAN NUYS. Let me say to the Senator from Michigan that by the language in lines 7, 8, and 9 it is provided that the Federal agencies may function in accordance with the regulations prescribed by the President for the protection of the interest of the Government. That is the reason for inserting that language, so that there may be uniformity and unity among the different departments.

Mr. VANDENBERG. I do not think there is any protection at all in that language, because if we delegate authority to an officer and then rely upon the regulations which the officer himself promulgates, it is just one and the same thing, so far as I am concerned.

Mr. VAN NUYS. The President promulgates the regulations, not the agency.

Mr. VANDENBERG. I understand that, but if his delegated authority is to be violated, of course, his regulations will be violated, too. I do not think that is any protection.

Mr. McNARY. Mr. President, returning to the subject under discussion before the inquiry of the able Senator from Michigan, I understand the Senator from Indiana to say that the Attorney General stated to the committee that he thought competitive bidding should no longer be used in the making of contracts, but that we should operate now in a monopolistic field. If that is the attitude of the committee, and that is the language of the bill, I do not think we should be too tender of the President's right to fix profits. But I did not know we had reached the point where competitive bidding was out the window, and hereafter contracts could be made at any time, under any terms, without any thought of the public interest. Is that the attitude of the committee?

Mr. VAN NUYS. I would not say that the Attorney General favored doing away with all competitive bidding; but, as the able Senator from Oregon well knows, there are many statutes on the books now doing away with competitive bidding in different departments. The remark of the Attorney General was that there are only a few mandatory competitive-bidding statutes left.

Mr. McNARY. I wholly disagree with the able Senator. In some emergency statutes we have stated that in the discretion of the Administrator contracts might be made without submitting requests for competitive bids. Generally, the practice has been—and it is a good and wholesome practice—that competitive bids are requested and required, though, in a few instances, to meet an emergency situation, we have conferred the power to which the Senator refers.



But competitive bids are usually employed, and wisely employed, in nearly all Government contracts, as is the case between individual citizens. If they are to be wholly thrown out; if even the discretion is to be removed, and we are to say that all future contracts shall be made without competitive bidding, I merely state that we should not modify the power of the President or some agency to control profits. That is the point I make.

Mr. VAN NUYS. This does not throw them entirely out.

Mr. McNARY. I understand that to be the statement the Senator made.

Mr. VAN NUYS. The provision in question leaves it to the discretion of the President, of course, as to the modification so far as competitive bids or non-competitive bids are concerned. It is all discretionary with the President.

Mr. McNARY. That is a different thing. The Senator stated a while ago that it was agreed yesterday, after the matter was discussed with the Attorney General, that competitive bids were out, and that hereafter contracts would be let without regard to competition.

Mr. BARKLEY. I understood the Senator to say "mandatory" competitive bids; not that the discretion was out, but that mandatory competitive bids were.

Mr. McNARY. That is a very different thing. The point I am making is that if we are to rely upon bids which are asked for by the President, or anyone who functions under him, without competition, the President should have wide authority in determining profits. For that reason I should object to the language which the Senator has proposed.

Mr. VAN NUYS. The Senator means the proposed amendment?

Mr. McNARY. The amendment covering profits, which the Senator read a few moments ago.

Mr. TAFT. Mr. President, the Senator from Indiana suggested that he might be willing to accept an amendment relating to profits, and I desire to suggest the following as an amendment to see if it might be satisfactory to him, to add at the end of section 201 these words:

*Provided further, That nothing herein shall be construed to authorize any change in existing laws relating to the percentage of profits or to the method of determining the fixed fee of a contractor in contracts made or hereafter made by any department or agency of the Government.*

I may say that I have conferred with the distinguished senior Senator from Massachusetts [Mr. WALSH], who is familiar with the situation so far as naval contracts are concerned, and these words have also been to some extent suggested by him.

Mr. WALSH. Mr. President, I understand that the general language which has been under discussion seeks, first and foremost, to remove the general law limitations compelling all contracts to be made under bids; and I concede the wisdom of that. Is that correct?

Mr. VAN NUYS. In substance, that is correct.

Mr. WALSH. It is now proposed by the Senator from Ohio and other Senators that this general language shall not

repeal existing laws placing limitations on profits, as provided in some of the naval bills and some of the Army bills covering the purchase of munitions, airplanes, and naval vessels. If it is desirable that such a limitation be placed in the pending bill, in my opinion the language which the Senator from Ohio has presented would seem to cover the matter.

Mr. President, I may say, to illustrate, that there is a law which fixes a limit of 6 percent on profits in the building of naval bases. Contracts limiting profits to 4 or 5 percent in the building of naval bases have been made by the bureau in the Navy Department which has to do with the handling of such contracts. This provision is suggested in the event that the Congress decides upon a policy of retaining those limitations. It does not relate at all to the general power of the President to do away with all requirements for bidding.

Mr. McNARY. Mr. President, I ask the Senator, is he now referring to cost-plus-fixed-fee contracts?

Mr. WALSH. Yes; cost-plus-fixed-fee contracts. They are already in operation, and, so far as the building of naval air bases and other naval bases are concerned, have operated very successfully, and the contracts have been let for less than the limitation on profits fixed by law. Then there are other limitations on profits fixed for the building of naval vessels and for the building of airplanes. The Senator from Ohio [Mr. TAFT], I understand, desires that the same general language be used in this bill, but that an effort be made to retain the limitations on profits which are already in existing law, and if that is desirable—I am not commenting upon the policy—the language which he suggested would probably cover that point.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WALSH. I am about to leave to go to the Naval Affairs Committee. Is there anything the Senator wants to ask me?

Mr. BARKLEY. I wanted to ask the Senator from Ohio a question, with respect to his suggested language, and I ask the Senator from Massachusetts to listen:

*Provided further, That nothing herein shall be construed to authorize any change in existing laws relating to the percentage of profits or to the method of determining the fixed fee of a contractor in contracts made or hereafter made by any department or agency of the Government.*

It seems to me the latter part of the Senator's suggested amendment is not consistent with the preceding proviso which reads:

*Provided, That nothing herein shall be construed to authorize the use of the cost-plus-a-percentage-of-cost system of contracting.*

I would have no objection to the first part of the Senator's proposed amendment.

Mr. TAFT. The cost-plus-a-percentage-of-cost system is not forbidden, but nothing is said about cost-plus-fixed-fee contracts. In fact, there are many contracts of that kind.

Mr. BARKLEY. The proviso now in the bill simply provides—

That nothing herein shall be construed to authorize the use of the cost-plus-a-percentage-of-cost system of contracting.

That language does not prohibit that system of contracting, but it simply says the bill shall not be construed to authorize it.

If language can be agreed upon simply providing that nothing herein shall be construed to authorize any contract in violation of existing law as to limitation of profits, I do not see any objection.

Mr. TAFT. That is perfectly satisfactory.

Mr. WALSH. That would be better than the extreme prohibition contained in the Senator's proposed amendment.

Mr. BARKLEY. Yes. I would therefore suggest, Mr. President, that at the end of line 17, on page 4, this language be added:

*Provided further, That nothing herein shall be construed to authorize any contracts in violation of existing law relating to limitation of profits.*

I think that provision would cover what we are seeking to do.

The PRESIDING OFFICER. Does the Senator from Kentucky offer that as an amendment at this point?

Mr. BARKLEY. I am offering that as a substitute for the amendment proposed by the Senator from Ohio.

Mr. TAFT. I have not offered any amendment. I merely asked if my proposal would be satisfactory.

Mr. BARKLEY. Then I offer that language as an amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky, on page 4, line 17.

The amendment was agreed to.

Mr. McNARY. Mr. President, I am compelled to leave the Chamber in a few moments. I want to revert to section 2, in title I, if the Senator from Indiana is willing to do so in the discussion of the bill.

In title I, section 2, we find this language:

That in carrying out the purposes of this title the President is authorized to utilize, coordinate, or consolidate any executive or administrative commissions \* \* \* and to transfer any duties or powers—

And so forth. I call to the Senator's attention that Congress, in April of 1939, passed a reorganization bill, which, as I recall, provided that it was necessary for Congress to initiate action, otherwise the plan submitted by the President would become effective. As I recall, two plans were submitted by the President to Congress. Therefore two consolidations of various bureaus were made. Does the proposed legislation in any way impinge upon that statute enacted in 1939?

Mr. VAN NUYS. The proposed legislation is an exact copy of the Overman Act, which was passed in 1918. Whether by implication or not there would be a repeal of the statute to which the Senator referred, I cannot say.

Mr. McNARY. I have not read the Overman Act for some time. At the time of its passage there was no statute in existence permitting the President to reorganize the different bureaus in the Government's field of operations. But



we passed the law to which I refer, as I recall, in 1939. At that time Congress retained the power either to confirm or reject the President's proposal. If the rejection were not made within about 3 months, the proposal became a fixed statute. Two of those plans were carried out.

Mr. VAN NUYS. Am I mistaken, I will ask the Senator from Oregon, in assuming that the Reorganization Act has expired? Is that not true?

Mr. BARKLEY. The power of the President to reorganize has expired. He has done all the reorganizing he can under that act.

Mr. McNARY. But the previous reorganization is carried over.

Mr. BARKLEY. His power now has expired. He cannot do anything further in the reorganization of the various departments until and unless the Congress revives and extends the authority previously given him. But the time limit on that authority has expired.

Mr. McNARY. The two plans submitted by him are now in operation.

Mr. BARKLEY. Yes; those two plans are now in operation; and they are just as valid as if the Congress itself had initiated them and had passed legislation putting them into effect, and just as valid as if the bureaus now reallocated to various departments had been put in those departments originally. There is no doubt about that.

Mr. McNARY. This proposal, then, will stand apart and will take the place of the Reorganization Act which was passed in 1939 or any subsequent reorganization ordered by the President?

Mr. BARKLEY. This provision, I think, would have the same effect that the original Overman Act had in 1917; that the President could exercise the power even in the case of bureaus and departments already reorganized by him if he should find it necessary in the interest of efficient government. In other words, all the reorganizations and the allocations made under the Reorganization Act are in effect. They are final, unless Congress should take further action. The President cannot even reshuffle the departments under the Reorganization Act. This proposal does the same thing with respect to all bureaus and departments that the Overman Act did with respect to them originally in 1917, and I assume that the President could, if he deemed it necessary, make some change in the reorganization he has already made under the Reorganization Act.

Mr. McNARY. That is quite true. But the power the Congress retained unto itself in 1939 will be superseded by this language, which does not give Congress the right to reject or confirm anything the President may do?

Mr. BARKLEY. I think the Senator is correct.

Mr. McNARY. It is an absolute power, without any right remaining in the Congress to pass upon it.

Mr. BARKLEY. It is an exact reenactment, in the same language, of the provisions of the Overman Act of 1917, which authorized the President to do the same thing. I assume that the Senator

would realize the futility or the unwisdom, if I may use that word, if the President, in this emergency, found it necessary to shift some bureau in order to bring about greater efficiency under the Government, of holding it in the air until Congress could take action.

Mr. McNARY. I am not criticising the merits of the proposal. I have no objection to it. I wanted to have an explanation made of the language in the bill, and its application.

Mr. BARKLEY. I think the Senator is correct in his statement. I think it is fair to say that the President, under this provision, would have the same authority that he had under the Overman Act, and he would have the same authority to take action with respect to bureaus that he has already shifted under the Reorganization Act.

Mr. McNARY. Let me ask one further question, with respect to section 401 on page 9. In one instance the authority proposed to be conferred by the bill appears to be limited to the present emergency, or any emergency declared by the President, which would extend it over the period of the war. The saving clause, as I construe it, is that this authority may be repealed or modified by a concurrent resolution which, of course, contemplates action by the House and Senate without reference to the President for his signature. The authority continues during the war, or during any emergency that may be declared by the President.

Mr. VAN NUYS. The original draft, which the committee modified, was that:

Titles I and II of this act shall remain in force during the continuance of the present war and for 6 months after the termination of the war, or until such earlier time as may be proclaimed by the peace treaty.

The Senator from Texas [Mr. CONNALLY] who is a member of the committee, called attention to the fact that the last peace treaty was a year or two after the actual termination of the war. So we struck out that language and inserted "until such earlier time as the Congress by concurrent resolution or the President may designate."

Mr. McNARY. The language to which I refer is found on page 4, under the heading "Title III—Trading with the enemy." The language is:

During the time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, and under such rules and regulations as he may prescribe—

And so forth. I am wondering if that can be construed in the light of the provision which I read on page 9, by which the act could be modified or repealed by concurrent action of the House and Senate. Does that language apply to every provision of the bill?

Mr. VAN NUYS. It applies to titles I and II. Title I has its own limitation on page 2, line 16:

*Provided further*, That the authority by this title granted shall be exercised only in matters relating to the conduct of the present war.

Mr. McNARY. I rather think that the language to which I refer relates to titles I and II, which may be repealed by concurrent action. I probably would not have asked the question if I had had time to read the bill, but it has been on my desk only a short time today.

Mr. VAN NUYS. The language to which the Senator refers relates to titles I and II.

Mr. McNARY. That is correct.

Mr. VANDENBERG. Mr. President, I should like to return to title II for a moment. This is the language covering new executive authority which was not in the authority granted to President Wilson during the World War. I wish to preface what I am about to say by that statement because some Senators are now present who were not present when we were discussing title II before.

When we take the incidental language out of title II, and get down to the naked authority involved, this is what we find:

The President may authorize any department or agency of the Government \* \* \* to enter into contracts \* \* \* and to make advance, progress and other payments thereon, without regard to the provisions of law relating to the making, performance, amendment, or modification of contracts whenever he deems such action would facilitate the prosecution of the war.

I wish to make the point again that that is a complete, blanket authority to the President of the United States to authorize any department to do anything it pleases in respect to war contracts.

Mr. SHIPSTEAD. And at any price.

Mr. VANDENBERG. And at any price.

I make the point again, without any reflection on anybody, that that is a perfectly natural field in which national scandal can occur more easily than in any other during a time when we are expending billions upon billions of dollars, and when such tremendous contractual values are at stake.

I wish to ask the able Senator from Indiana whether the very minimum of precaution which ought to be exercised by us if we must delegate this enormous power should not be a further proviso in title II reading approximately as follows:

*Provided further*, That all acts under the authority of this section shall be made a matter of public record.

Surely the Senator does not want the power covering this enormous expenditure of money exercised behind the door.

Mr. VAN NUYS. I think such a provision is already in the bill.

Mr. VANDENBERG. There is a provision under title I that all the things involved up to that point shall be published in accordance with the Federal Register Act of 1935.

Mr. VAN NUYS. That is what I had in mind.

Mr. VANDENBERG. That does not cover title II.

Mr. VAN NUYS. It covers title I.

Mr. VANDENBERG. Would the Senator object to a final proviso providing that all acts under the authority of this section shall be made a matter of public record?



Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BARKLEY. Does the Senator mean that he wants to empower anyone who may have curiosity enough to do so to go to any department and demand to see the contracts entered into by that department?

Mr. VANDENBERG. I think that every contract should be available to public inspection.

Mr. BARKLEY. I can conceive that some harm might come from the unlimited ability of anyone to go to a department and say, "I want to see a certain contract." I am open to conviction on the question, but at first blush it seems to me that such a provision might bring about injury or unnecessary harm.

Mr. VANDENBERG. The Senator sees the general point I am trying to reach, does he not?

Mr. BARKLEY. Yes.

Mr. VANDENBERG. I am sure he agrees with it. It seems to me we should put in some general language at this point. I should have no objection to having it revised later if it should need revision.

Mr. VAN NUYS. Mr. President, the representative of the Department of Justice says that under the provisions of the Federal Register Act of 1935, that must be done anyway; but the contracts in toto are not published. They are considered military secrets and are not published in the Federal Register; but the terms and conditions are published.

Mr. VANDENBERG. Mr. President, what does that comment mean in respect to the suggestion that there might be some definite publicity proviso at this point? Does the Senator mean that he is objecting to it?

Mr. VAN NUYS. The Department is not objecting to it, but thinks it is unnecessary, because it is already provided in the Federal Register Act itself.

Mr. VANDENBERG. Then there could be no objection to having it.

Mr. VAN NUYS. There is none on the part of the Department.

Mr. BARKLEY. That might depend on the conditions. I think it might be unwise to empower anybody to look at the terms of a contract which might be a military contract. It might be important not to give it out to the public. There are many things which must be considered as confidential.

Mr. VANDENBERG. I agree to that.

Mr. BARKLEY. I do not think any language ought to be inserted which would make it possible, for example, for a competitor who did not receive a contract to go to the Department and say, "I want to see the contract."

Mr. VANDENBERG. I disagree with the Senator. I think that is the precise point at which there ought to be fully available information.

Mr. BARKLEY. Competitors who are seeking a contract undoubtedly know in all cases what the contract is, what its terms are, to whom it is awarded, and the conditions. What I am talking about is the ability, under the language suggested by the Senator, of Tom, Dick, or Harry, or any irresponsible person—even

an alien, or anyone who is not thoroughly in sympathy with our program—to examine any contract. Some harm might come from such a situation. Any person might say, "This contract is public property. I want to see it. I am entitled to see it." I know that the Senator does not want to bring about such a result. If the Federal Register Act contains the provisions which have been referred to, it seems to me that we ought not to go beyond that act.

Mr. VANDENBERG. What does the Federal Register Act now provide?

Mr. VAN NUYS. It provides for the publication of all Executive orders.

Mr. VANDENBERG. Precisely. But I want to know what happens under the Executive orders. That is not published in the Federal Register.

Mr. VAN NUYS. Indeed it is. Every Executive order is published in the Federal Register. Such publication is required by the act.

Mr. VANDENBERG. The Senator misunderstands me. I want to know what happens as a result of the Executive order.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Florida.

Mr. PEPPER. I am sure that we are all sympathetic with what the able Senator has in mind. On the contrary, I am sure that we are all sympathetic with the position in which the President finds himself when he must act expeditiously and when plans and specifications must be drawn up quickly.

Mr. VANDENBERG. I am not complaining about that.

Mr. PEPPER. I was wondering whether the principle of publicity and reporting, which the Senator has fundamentally in mind, could not be preserved by requiring something like what the Congress requires of the President in the administration of the Lend-Lease Act. He has very wide discretion, but he reports periodically to the Congress the substance of what he has done. I am wondering if such a requirement would not afford adequate safeguard so far as public scrutiny is concerned.

Mr. VANDENBERG. It might be; and anything of that general character would satisfy my objective. My whole point is that this is a brand-new power. Nothing of the sort was even contemplated during the first World War. This is a power, as I see it, over the expenditure of \$66,000,000,000 already authorized, and probably it is a power over the ultimate expenditure of \$166,000,000,000.

Mr. President, if the contractual expending power to that extent is to be delegated first to the Executive and then by him to any one he pleases, I submit that is the most fruitful field in which waste and scandal and everything of that offensive character can occur, and it is not even fair to the President to leave that power wide open, as it is under this language.

Since there must be elasticity, and we cannot curb that, the only possible cure is the establishment of a public record at some point to which anyone can go in order to determine what has happened.

Perhaps my language is inept. I have drawn it only on the spur of the moment, and if any other Senator can suggest better language, I shall be glad to have him do so, for certainly I have no pride of authorship.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. VANDENBERG. Yes; I yield.

Mr. SHIPSTEAD. I desire to compliment the Senator from Michigan for bringing this matter to the attention of the Senate, in view of what has happened recently, and in view of what happened in the last war. We know that the buzzards come here to loot the Treasury in connection with contracts. They come here under the respectable designation, according to the terms used by the newspapers, of "brokers of influence," and they make the contractors pay them huge fees for their influence to get next to someone high in authority; and they come here only because of their political affiliation. It is bad enough as it is, in view of what little has been exposed. We know how, after the World War was over, the Treasury was looted by the hyenas who came here; and this provision of the bill would, in 10 times greater degree, open the door to the looting of the Treasury at the expense of defense and at the expense of the taxpayers.

Something must be done to prevent these wolves from coming and looting the Treasury in the name of defense simply because they have political influence, simply because they have acquaintance with men in high political positions of power. With their hands in this immense volume of funds, the chances are overwhelming that we shall have the greatest scandal in the history of the United States. The contracts which have already been let are bad enough.

Mr. VANDENBERG. It seems to me it is elementary precision and precaution to require that a public record be kept.

Mr. GEORGE. Mr. President, will the Senator from Michigan read again his suggested language?

Mr. VANDENBERG. It is this:

*Provided further, That all acts under the authority of this section shall be made a matter of public record.*

Mr. GEORGE. The Senator from Michigan certainly would not object to adding the words "under such rules and regulations as may be prescribed by the President of the United States," would he?

Mr. VANDENBERG. No; I should be very glad to do so.

Mr. GEORGE. Such language would provide the opportunity to protect the public interest if the contracts involved any secrets from the publication of which the enemy might secure advantage, or if the ordinary broker might be able to examine the contracts and then demand something from the contractors.

Mr. VANDENBERG. I am quite willing to add the language suggested by the senior Senator from Georgia.

Mr. GEORGE. I beg to state to the distinguished Senator from Michigan that I can see no reasonable objection to such a safeguarding provision, "under



such rules and regulations as the President may prescribe."

Mr. VANDENBERG. If the Senator will permit me to do so, I should like to restate my part of the suggested language and then have the Senator from Georgia restate the language he suggested, so that while we are about it we can complete our discussion of the provision.

In title II, section 201, on page 4, I propose that after line 17 the following language be added:

*Provided further,* That all acts under the authority of this section shall be made a matter of public record.

Will the Senator from Georgia state the phrase he suggests adding to that language?

Mr. GEORGE. I suggest that there be added the following words:

Under such regulations as the President may prescribe.

Mr. BARKLEY. Mr. President, let me ask the Senator from Georgia and the Senator from Michigan whether the use of the language "all acts" would make it mandatory that all acts, every act, consummated under this section shall be published, and that the President will have power to make regulations only as to how they shall be published? I am not certain that the language suggested gives him the discretion to determine whether the terms of contracts, for instance, should be made public, although under regulations which he may prescribe. I doubt the wisdom of making public the terms of contracts, so that anyone who may have a selfish motive may look at them and take some advantage from them, or profit by them. I do not like the word "all," the all-inclusive language suggested. Perhaps we can arrive at what we have in mind without making it mandatory that all contracts be made a matter of public record, subject only to the regulation of the President as to how they shall be made public.

Mr. VANDENBERG. I do not believe that is the intent of the Senator from Georgia, and it was not mine.

Mr. CLARK of Missouri. No, Mr. President; that is not the meaning of the language, certainly.

Mr. GEORGE. The language I suggested—

Under such regulations as the President may prescribe—

would carry with it the authority to avoid divulging anything the publication of which might be incompatible with the public interest.

Mr. VANDENBERG. That was my understanding.

Mr. GEORGE. That is what we are all seeking.

Mr. PEPPER. Did not the Senator use the word "acts", and was not the Senator thinking about contracts?

Mr. BARKLEY. Yes; I think a contract is an act; it is an act of agreement between two parties.

Mr. GEORGE. The section relates to contracts, performance thereof, and amendments and changes therein. That is the whole subject matter of the section.

Mr. BARKLEY. Yes.

Mr. GEORGE. I think it would be very well to provide that anything done under the authority of the section should be made a matter of public record, under such regulations as the President may prescribe, when the publication of such an act will not be incompatible with the public interest. I think such a provision would cover the situation.

Mr. BARKLEY. That language was not in the original suggestion.

Mr. GEORGE. No; it was not.

Mr. BARKLEY. I have no objection to it with the language I have suggested added, which would leave with the President the power to determine whether any given contract or modification or amendment of a contract should be made public.

Mr. GEORGE. I think that is correct; because a contract might be made, let us say, for a given number of machine guns, or antiaircraft guns, and it might not be compatible with the public interest for it to be divulged to the public, or left in a place from which it could be made known to the public.

Mr. CLARK of Missouri. Mr. President, if the Senator will yield to me, it seems to me that the language should provide that the President should have complete control over the conditions under which such matters might be made public; and, subject to such regulations as he might make, the information might be given out. It should be made a matter of public record so that any proper public official might have access to it, but not so that anyone with ulterior motives or for purposes of frivolous curiosity could walk in from the public street and have access to the records for selfish purposes. It seems to me that if the matter is made of public record, under such rules and regulations as the President may prescribe, we shall have accomplished the purpose.

Mr. DANAHER. Mr. President, certainly it was difficult enough for those of us who were present at the committee meeting to follow all the ramifications of the proposals before the committee yesterday. I can easily understand that there is confusion in the minds of Senators who were not there, and who did not hear the Attorney General's explanation. There was reason, however, for writing this language, in the form in which it appears, into title II. In the first place the Attorney General advised us that the War Department, the Navy Department, and other procurement divisions had encountered very serious difficulty because of the requirements for advertising with reference to contracts; they had run into very great difficulty concerning the provisions with reference to bonds on contracts; and, above all, there was no provision under existing law by which they could make advance payments to contractors who might need financing, or progress payments to those who might have partially completed their contracts. Therefore, in this particular, we sought to try to extend upon a very much wider basis contracting and letting to some 90 percent of the business houses and corporations of the country which today have

no contracts but which might, with encouragement, be enabled to engage in a general productivity which now they cannot do. Having all those considerations in mind, Mr. President, it was important that existing provisions be suspended.

On the other hand, we encountered the question, just as it is confronting Senators now, how far making public the competitive bases for contracts would operate against the interests of the Government. I remember one Senator who was present told about a certain competitor who called at his office and complained about 15 contractors having submitted bids. I will not say that the bids were identical or nearly so; but, of course, the particular individual who complained to his Senator got short shrift when the Senator said to him, "The only reason you are complaining to me is that you did not get the contract, and the other man did."

That is the sort of thing that illustrates that if we make public all the terms not only will the Government not necessarily get an advantage, but, quite to the contrary, such action may prevent the President, through his duly appointed agencies, of course, placing a contract at even better terms than he possibly could if the whole group of contractors who are the only ones furnishing certain goods agreed substantially on a floor or minimum price. So the President of the United States would have greater bargaining power in that particular if he were not bound by any minimum or floor under prices, especially where expedition in procurement is of the essence. What I have stated is, generally, the background of the reasons for title II being written as it is.

It seemed to me that many Senators felt in the committee yesterday that there should be created some joint congressional advisory committee which would not only have some supervision over the writing of specifications, at least, to the point of considering whether the specifications or contracts permitted free and open competitive bidding, but would also retain some supervision over the execution of contracts and keep Congress informed, just as the Truman committee at the present time is investigating the performance or execution of outstanding contracts. So it was suggested, at least, and discussed, that we might have a continuing committee which would retain a permanent interest in behalf of the public, to the end that all contracts would be under regard. Such a joint council or committee of the Congress would certainly be able to report to us such information as would not be incompatible with the public interest.

When the committee was considering this bill yesterday there was no language put into the measure, to see to it that the Congress or the public, through the Congress, should be protected in that particular; but it certainly was felt that some tangible steps along that line should be taken, and, if it were not necessary to include such a provision in this measure, at least, one would be brought forward.



I think that the chairman of the Judiciary Committee, the Senator from Indiana, can, if he chooses, elaborate this point beyond what I have said to the Senator from Nebraska and others; but I know that what I have said is substantially an accurate report of the background, the reasons for writing title II as it is written.

Mr. VANDENBERG. Mr. President, the comments and suggestions of the able Senator from Connecticut regarding a joint congressional committee by way of liaison which the Executive, in connection with this particular matter, falls fully within the suggestion which I submitted on the floor of the Senate earlier in the week regarding a liaison committee representing the House and the Senate by way of close cooperation with the Chief Executive. I am so keenly wedded to that idea that, of course, I find myself in complete sympathy with what the Senator from Connecticut has said. I may add that I have written the President of the United States and furnished a complete outline of a proposed joint congressional committee on war cooperation so as to determine whether there may be a meeting of minds between the White House and the Hill upon the creation of some such link between these two functions, not for the purpose of attempting to interfere with the Executive prerogative and the conduct of the war, for I freely concede that this war cannot be conducted in a town meeting, but purely for the purpose of seeing whether we cannot better satisfy the constitutional responsibility which Congress cannot avoid and at the same time perhaps simplify the Executive's opportunity to take Congress into the Executive confidence to an extent which is impossible if 531 men have to be taken into his council. So I am heartily in favor of the suggestion submitted by the able Senator from Connecticut, carried to a point far beyond that which he has indicated; but that does not relieve us of the necessity, it seems to me, upon our responsibility in connection with the extension of this new authority in title II—an authority greater than existed in the World War—of providing now minimum precautions, and certainly it is a minimum precaution to require a reasonable minimum of publicity in connection with a power which can control the expenditure of a hundred billion dollars.

Seeking to meet the viewpoint of the able Senators who have made suggestions in this connection since I proposed my original language, I now propose this final form which I believe has the approval of the Senator from Kentucky, and which, I believe, does not meet with the disapproval of the able Senator from Indiana, the chairman of the committee: At the end of title II, line 17, page 4, I offer the following amendment:

*Provided further, That all acts under the authority of this section shall be made a matter of public record under regulations prescribed by the President and when deemed by him not to be incompatible with the public interest.*

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is still before the Senate and open to further amendment.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Indiana for one bit of further information?

Mr. VAN NUYS. Certainly.

Mr. VANDENBERG. Am I correct that the only censorship provision is in section 303 on page 8, and that such censorship as is there provided applies only to the transmission of communications between the United States and any foreign country, and that there is nothing in the bill which involves censorship of any form of internal communications or publications in the United States?

Mr. VAN NUYS. The Senator from Michigan is entirely correct. That subject was threshed out in detail with the Attorney General, all members of the committee participating. There is in the bill not a word which would authorize the President to exercise censorship over newspaper or messages within the United States. The provision deals wholly with outgoing messages from America to foreign countries.

Mr. VANDENBERG. Or incoming messages from foreign countries.

Mr. VAN NUYS. It is very difficult to censor such messages. For instance, a newspaper might have a short-wave receiver.

Mr. VANDENBERG. Yes; but it carries the power to do so?

Mr. VAN NUYS. Yes; it carries the power.

Mr. VANDENBERG. Very well.

One final question, and I am done.

Has the Senator now stated to the Senate all the powers in this proposed legislation which exceed the powers granted to President Wilson under the Overman Act and the Trading With the Enemy Act?

Mr. VAN NUYS. I think so. I have not yet taken up title III. That is the amendment to the Trading With the Enemy Act. As I remember, it is an exact copy of the former statute, except that in some instances it goes a little further. For instance, in the case of the Alien Property Custodian's Office, or such agency as may take the place of the former Alien Property Custodian's Office, the Attorney General informed us that there are at least \$7,000,000,000 of funds that have to be seized or frozen under present conditions. This measure gives authority to that agency, whether it be the Alien Property Custodian or otherwise, not only to freeze these assets, but to seize them and dispose of them and liquidate them—something that has been contested in the powers of the Alien Property Custodian heretofore. So I will say to the Senator from Michigan that the bill is broader along that line. Outside of that, I know of no further extension of power than President Wilson had.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. VAN NUYS. Yes.

Mr. TAFT. There was always a good deal of scandal and danger of scandal in connection with the office of the Alien Property Custodian, particularly because when a man came in and claimed property back there perhaps was nobody on

the other side. I wonder if any such danger is guarded against in this particular measure, or whether that is something to be dealt with after the war is over.

Mr. VAN NUYS. I think that is largely a matter of administration rather than of legislation. I may be mistaken about that, but I think so.

Mr. TAFT. If the time ever comes when there is an alien property custodian with power to give property back to anybody or pay him for it, it seems to me some better provision should be made than was made after the World War.

Mr. VAN NUYS. I will say to the Senator from Ohio that I think that is largely an administrative matter, and that the power here is ample to put in operation such administrative processes as will accomplish those results.

Mr. TAFT. Mr. President, I wish to offer an amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. On page 2, line 18, it is proposed to strike out the period, insert a colon, and add the following proviso:

*Provided further, That no redistribution of functions shall provide for the transfer, consolidation, or abolition of the whole or any part of the General Accounting Office or of all or any part of its functions.*

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio.

Mr. TAFT. Mr. President, I should like now to discuss with the Senator from Indiana the question of title I. While it is true that title I is a reenactment of the Overman Act, the conditions which exist today are very different from those which existed 25 years ago. Merely because the President had that power during the World War, I do not believe it necessarily follows that exactly the same power should be granted during this war. After all, we have discussed the question of reorganization now for a good many years, and we have passed various bills in which we have placed restrictions. Under the terms of this bill, for instance, the President might, as I see the matter, practically abolish the Civil Service Commission, or transfer its functions to some other body which would not perform them. He might decide that the Federal Reserve System, which was preserved under the Reorganization Act, would be more efficiently operated under the Treasury Department. He might make all sorts of transfers. There is no limit to what he might do except one clause, which says:

*Provided further, That the authority by this title granted shall be exercised only in matters relating to the conduct of the present war.*

That hardly seems to me a limitation at all, because every department of the Government of the United States will be primarily concerned with the conduct of the present war. For instance, on the question of the revision of the rates of railroads, the Interstate Commerce Commission may delay so long, or somebody may think they delay so long, as to



imperil the proper operation of the railroads, and their functions may be transferred to some other body, say the Federal Trade Commission.

So far as I can see, nearly everything can be done under this bill in the way of reorganizing the Departments of the Government. I suppose the administration of the Veterans' Administration may be put under the Social Security Board. I do not tremendously object to giving such power; I never have; but in this one respect it seems to me we should make a great mistake if we authorized the President to transfer to any one the powers and duties of the General Accounting Office. I think it is distinct from any of the other Departments.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator will observe on page 2, line 5, that these powers are conferred and this reshifting, or whatever happens, is to be done, with respect to executive agencies. Does the Senator regard the General Accounting Office as an executive agency? It was set up as an agency of Congress. I very much doubt whether it would be included in the language of the bill as it is now written.

Mr. TAFT. Then I see no objection to the amendment. I believe it would be included.

Mr. BARKLEY. I see no objection to the amendment. It is already the law, but it is just one of those things that seem to me unnecessary.

Mr. TAFT. Let me read section 2:

That in carrying out the purposes of this title the President is authorized to utilize, coordinate, or consolidate any executive or administrative commissions, bureaus, agencies, governmental corporations, offices, or officers now existing by law, to transfer any duties or powers from one existing department, commission, bureau, agency, governmental corporation, office, or officer to another, to transfer the personnel thereof or any part of it either by detail or assignment, together with the whole or any part of the records and public property belonging thereto.

Mr. BARKLEY. That still refers to executive and administrative agencies or departments, which it seems to me are different from the General Accounting Office, which was set up as an agency of Congress.

Mr. TAFT. I agree with the Senator. I think the General Accounting Office is different from anything else. While possibly as a matter of law President Wilson had power to transfer the Comptroller General, the Comptroller General—who had largely the same functions as the General Accounting Office—was not transferred, and all through the World War he exercised a restraint on the expenditure of appropriations. I remember it, because I was in a Department, and we were always arguing with him, and he very properly held us within the subject of appropriations made by Congress.

Mr. BARKLEY. Of course, the Comptroller General, as he existed at that time, was purely an executive officer in an executive office or function. He had

not been created, as was later done with the General Accounting Office, as an agency of Congress to keep a foot upon the brake of public expenditures.

Mr. TAFT. I think we may regret giving all this power; but if the Senator would be willing to accept the amendment I have suggested I certainly should have no further objection.

Mr. VAN NUYS. It is perfectly satisfactory to me.

Mr. BARKLEY. If the Senator from Indiana is agreeable, I personally have no objection to it.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Ohio is agreed to.

The bill is open to further amendment.

Mr. DANAHER. Mr. President, there is one point which I should like to have the chairman of the committee make clear. When we talk about governmental corporations, as we do in several places in Title I, we are talking about corporations owned by the Government as well as those created under R. F. C. powers, are we not?

Mr. VAN NUYS. R. F. C., T. V. A., and similar corporations.

Mr. DANAHER. It is not the Senator's understanding that, for example, under section 2 the President could coordinate, let us say, T. V. A. and put it under the Department of the Interior, for instance?

Mr. VAN NUYS. I am inclined to think so.

Mr. DANAHER. The Senator so understands? I did not. That is why I wanted to make it clear.

Mr. VAN NUYS. I am inclined to think that if we include governmental agencies or corporations in that part of the bill, the President would have the same power in regard to them that he would have in regard to the ordinary bureaus and commissions.

Mr. DANAHER. I should like to ask the Senator one other question, then, which is equally technical and very trite. At the top of page 4, line 1, appears the word "heretofore." I assume that refers to such powers as shall be in force at the effective date of the act. That is what it means, is it not?

Mr. VAN NUYS. It is a direction quotation from the former Overman Act. What is the question?

Mr. DANAHER. The word "heretofore" refers to such powers and functions and duties as shall be in force at the effective date of the proposed act?

Mr. VAN NUYS. Yes.

Mr. DANAHER. It does not harken back to some date in the distant past, for example, and then come up to date with any broadening of authority as hereafter by law may be provided? We are talking about the effective date of the proposed act, and if it becomes a law on December 21 of this year, that is the date to which the word "heretofore" refers?

Mr. VAN NUYS. Yes.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is, Shall the bill be engrossed

for a third reading and read the third time?

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read three times, the question is, Shall it pass?

The bill (S. 2129) was passed.

#### AMENDMENT OF SELECTIVE SERVICE ACT—LEAVE TO FILE REPORT

Mr. BARKLEY. Mr. President, I have just sent to the Committee on Military Affairs to ascertain the status of the bill upon which they are supposed to have been voting. It was sought earlier in the day to secure consent of the Senate that the committee might make a report up to midnight tonight. I should still like to have such consent. It is the desire of the committee to make its report today. If there shall be any valid reason tomorrow why the bill should not be taken up until the next day, I am sure the committee will listen to reason about it, but I should like to have the consent of the Senate that the committee may make its report today.

Mr. TAFT. Mr. President, I do not like the practice of reporting a bill, and having Senators see the bill and the report of the hearings for the first time as it is placed on their desks, and not be able to give them any study. But I shall not enter an objection at this time. I merely think that it should not become a regular practice of the Senate, and that before the bill is actually debated in the Senate we should be given opportunity to examine it, as we have not had in the case of the bill before us today. I shall not object to the filing of the report in this case. However, I hope that tomorrow we may be able to postpone the consideration of the bill until the next day, until we can see why the general of the Army feels that this step is necessary. I notice that the House committee thinks it is not necessary to go quite so far as is suggested, and there are a good many considerations which might require some study of the evidence and opinions. I hope the bill will not be taken up tomorrow; but I shall not object to the report being filed.

Mr. BARKLEY. I think it is desirable to have the report filed so that it will be available to Senators, even if we do not take the bill up tomorrow and it goes over until Thursday, because if the report is not made until tomorrow, the same complaint might legitimately be lodged the next day. Therefore I ask unanimous consent that the Committee on Military Affairs be authorized to make its report upon the so-called extension of the draft act during the recess or adjournment of the Senate following today's session.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

#### EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.



what is known as shore construction—for the building of naval activities throughout the United States. We felt that we should cut the red tape, and when the bill was in the Senate let the Senate incorporate in the appropriation bill an appropriation of \$310,000,000, even though there had been no authorization for it.

That is all this bill is for.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, \$310,000,000 for the establishment or development of naval shore activities by the construction of such temporary or permanent public works as the Secretary of the Navy may consider necessary, including buildings, facilities, accessories, and services, with which shall be included the authority to acquire the necessary land: *Provided*, That the Secretary of the Navy is hereby authorized to acquire Floyd Bennett Field, Kings County, N. Y., and adjacent suitable areas, including buildings, improvements, and facilities at a cost not to exceed \$10,000,000, and to establish the same as a naval air station.

Sec. 2. The provisions of section 4 of the act approved April 25, 1939 (53 Stat. 591), as amended, shall be applicable to the public-works projects authorized by this act.

Mr. VINSON of Georgia. Mr. Speaker, I offer two committee amendments.

The Clerk read as follows:

Amendments offered by Mr. VINSON of Georgia: Page 1, line 10, change period to a colon and add the following provisos:

*"Provided*, That the Secretary of the Navy is hereby authorized to acquire Floyd Bennett Field, Kings County, N. Y., and adjacent suitable areas, including buildings, improvements, and facilities at a cost not to exceed \$18,750,000, and to establish the same as a naval air station; *Provided further*, That in the purchase of Floyd Bennett Field the Navy Department shall take into consideration expenditures by any Federal agency from Federal funds in or for developing such field prior to acquisition thereof by the United States."

Page 2, strike out section 3 and substitute the following new section:

"Sec. 3. The Secretary of the Navy shall transmit to the Congress on or before January 10, 1943, a statement by projects of the obligations incurred pursuant to the authorization provided in this act."

Mr. VINSON of Georgia. Mr. Speaker, these amendments are in accordance with the conference report and make the two bills now the same.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### PERMANENT AUTHORITY TO MAKE PAYMENTS TO AGRICULTURAL PRODUCERS

Mr. FULMER, from the Committee on Agriculture, submitted a conference report and statement on the bill (S. 588) to give to the Secretary of Agriculture permanent authority to make payments to

agricultural producers in order to effectuate the purposes specified in section 7 (a) of the Soil Conservation and Domestic Allotment Act, for printing, under the rule.

#### EXPEDITING THE WAR EFFORTS

The SPEAKER. The Chair recognizes the gentleman from Missouri [Mr. NELSON].

Mr. NELSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 389.

The Clerk read as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6233) to expedite the prosecution of the war effort. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. NELSON. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. Speaker, I yield myself 5 minutes.

The SPEAKER. The gentleman from Missouri is recognized for 5 minutes.

Mr. NELSON. Mr. Speaker, it is not my intention to enter into any discussion of the rule which merely provides for 2 hours of general debate on the resolution to be considered, nor is it my intention to discuss the resolution proper, which is intended to help bring to a successful termination the war in which we are now engaged. That I shall leave to the able members of the Judiciary Committee. In the brief time I take I prefer to touch upon some commonplace things.

I daresay that to many of us these are not only disturbing days but restless nights. I know how I find myself, and I assume many of my colleagues experience the same difficulties. In periods of wakefulness we consider what has been happening during the last few days and wonder what the near tomorrows are to bring to us. The world looking toward America during the last week or two must realize that the day of miracles is not past. Where only a short time ago we were a divided people ready to find fault with the other fellow, critical of much that was being done, we are now united; and this resolution we are to consider today gives expression to this widespread feeling. Only in America—nowhere else in all the world—could changes come so completely and so readily as they have during the last few days. The firing that accompanied the sneaking Japanese attack was heard in America. That firing opened on Bible week in our country. While we lost ships and men, we gained much in solidarity and in the fact that we are no longer satisfied with ostrich-like optimism and with Pollyanna preachments.

The ways of Providence. Mr. Speaker, are past understanding. As individuals

and as a nation God sometimes leads us down into the depths so that, looking up through the shadows, we may see the stars. What we have learned, learned to our great loss in the last few days, will eventually be to our advantage. Speaking of recent happenings, I am reminded of a meeting that took place yesterday in Washington, a meeting in the White House, a meeting such as could have been held in no other nation in the world, when two men, candidates only a few months ago for the highest office in the gift of the people, met as friends, met to plan a program and discuss matters of mutual interest and of interest to each and every one of us. I am grateful that such meetings are possible in America at this time. Yes; and I am glad, too, that this resolution which we are soon to consider, gives evidence that all political bitterness has been laid aside. I am thankful for the gentleman from Massachusetts, Representative JOE MARTIN, chairman of the Republican National Committee; thankful for Edward J. Flynn, chairman of the Democratic National Committee. These men at this time, not seeking party advantage, are ready to join in the great and common interest which is to make possible victory for our people and ultimate peace for all the world.

[Here the gavel fell.]

Mr. NELSON. Mr. Speaker, I yield myself 5 additional minutes.

Mr. Speaker, I am thinking, too, of the meeting held on Sunday at the National Cathedral here in Washington, where the body of Woodrow Wilson rests. Somehow I feel, down deep in my heart, that if the plans of this other World War President had been more fully followed, followed until the vision that was his had been vitalized and made a verity, the present world situation might long have been delayed, if not actually averted. But that is of the past. We face the future. At the cathedral meeting on Sunday, participated in by those representing various churches, we were made to realize that the time is here when we, as a people, must take off the blind bridles of politics, class, and creed and join hands in the common cause. This we did twenty-odd years ago. This we will do more fully today and in the days that are to come.

Yes, Mr. Speaker, there is a force greater than the force that rends the granite cliffs of mountains; it is a force greater than that which holds the water to the shores of the sea. That force is not fear. That force, Mr. Speaker, is faith and you and I today as Members of Congress have faith in our cause, we have faith in our Army and our Navy, we have faith in the President of the United States, faith in the Common Father of us all. I have always believed that God in His goodness has always raised up great leaders when we needed them. He gave to us Washington, He gave to us Lincoln, and today He gives to us Franklin Delano Roosevelt.

Mr. Speaker, we are a united people. Maybe we have not agreed with all that the President sought to do, maybe we have not at all times been in sympathy with the New Deal, maybe you and I



would like to have changed some of those in appointive places, but today all of our differences are forgotten in this bill giving to the President great powers, a bill which I understand was unanimously reported by the Judiciary Committee, just as this rule comes by unanimous report from the Rules Committee. We all join hands in the hope that because of the leadership we have and the support we shall give, the war in which we are engaged, and which was not of our making, may be prosecuted to an early and victorious end, with a just and permanent peace to follow.

Mr. FISH. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the gentleman from Missouri [Mr. NELSON] is absolutely right. Not only the Congress but the American people today are united behind the war. We are united in the job of winning the war, the biggest single job that ever confronted the American people. We are engaged in the greatest war in the history of the world and there is no sacrifice too great in the prosecution of that war in order to win final victory.

This bill merely gives the President the same powers that were given to Woodrow Wilson in the last war, powers that are necessary in time of war and which we would not consider giving to any President in peacetime; powers that are necessary to win the war, but powers that should be returned to the Congress when the war has been won.

Title I of the bill virtually restates the Overman Act of the last war, and gives the President the power to coordinate the different agencies of the Government, transfer one to the other, for the sake of efficiency and in order to expedite the placing of America on a war footing. I think we are all agreed that this must be done in time of war, that power must be concentrated in the hands of the President and our Commander in Chief for the duration of the war.

Title II gives the administration and the President and those acting for him the power to waive asking for bids on Government work in order to save time and also, as is stated, to help the small contractor who is not in position to bid in competition with the larger ones and has not the necessary means of doing so.

Title III deals with the Trading With the Enemy Act, the old Trading with the Enemy Act, with certain additional powers giving the President control over communications with foreign nations, also giving the President the power to use property of the enemy that we may confiscate. In the last war the President could confiscate every property but we were not able to use it to our own advantage. This bill gives him that additional power.

Mr. Speaker, we may have had differences in the past in reference to our foreign policy as between Democrats and Republicans. It crossed all party lines. But those differences passed away the day Congress declared war against Japan. Interventionists and noninterventionists are now one. We only have one aim and one single purpose, that is to win the war, and we propose to present a united front back of the Presi-

dent, back of the Commander in Chief, and back of the administration. The Congress should give, and properly so, in this bill the fullest latitude and the necessary power to the President for the duration of the war to put this country immediately on a war footing in order to win the war at the earliest possible moment.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, this rule makes in order the consideration of the bill H. R. 6233, which is the successor of the bill H. R. 6206. H. R. 6206 is an administration bill which was introduced on December 11. H. R. 6233 is the Judiciary Committee rewrite of the original bill.

The original bill was what we commonly call a "shotgun" measure. No one can tell by reading that bill what it means, what it covers, what powers are given, and to whom. It attempts to revive legislation once enacted by the Congress but which has expired by limitation of time or which has been expressly repealed. The Committee on the Judiciary felt it necessary to rewrite the bill so that anyone reading it might have some idea as to what was intended by the bill.

Personally, I do not know enough about the rewrite to discuss it with any feeling of finality. It is technical. One who attempts to discuss it without careful analysis is simply following the path of reckless abandon in legislation.

Members of the Committee on the Judiciary will explain the bill. I am sure the chairman and others on the majority side have definite views and information. I ask the Members on our side especially to listen to the gentleman from New York [Mr. HANCOCK] and the gentleman from Iowa [Mr. GWYNNE], who have been on the subcommittee and who have given their special attention to this measure.

I shall support the bill. I yield to no Member of Congress in my conviction that the Congress should not surrender to the Executive any powers not absolutely necessary at this time.

I realize that the power asked for here are strictly war emergency powers and are necessary for winning the war. We must take the chance of getting them back at the end of the emergency. President Wilson had these powers and gladly returned them after the emergency.

There is a time limitation in this bill on titles I and II. Titles I and II expire at a definite time after the ending of the emergency. I understand the committee will offer an amendment making it possible for the Congress by joint resolution, if that be constitutional, to end these powers in case the Executive does not see fit to issue the terminating proclamation which is contemplated in the bill.

The really vital part of the bill, as far as anything new is concerned, is found in title II, affecting contracts. I was very loath to concede legislation granting the powers contained in that title, but under all the conditions I feel that that is the thing to do.

I hope we will all have a better understanding of this bill when a technical explanation has been made by members of the Judiciary Committee who have given to this most stringent legislation such time and thought as the occasion permitted.

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield for a suggestion?

Mr. MICHENER. I yield to the chairman of our committee.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield to the gentleman from Michigan 1 additional minute.

Mr. SUMNERS of Texas. Permit me to suggest to my colleague that the committee has included in the bill a provision that sections 1 and 2 may be terminated by concurrent resolution of the two Houses.

Mr. MICHENER. I am glad that is in the resolution as now printed.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, if there is anyone in this House who dislikes more than I do to see the power of the Congress given to the Executive, I do not know that Member. To give the Executive power that should only be exercised by the Congress hurts me more than pulling teeth or toenails, but I am going to vote for this bill because I think it is necessary in order to fix responsibility for the conduct of this war. It is the only thing we can do.

We have given the President more money than he can possibly spend economically and efficiently. He has exercised, whether they were granted or not, some powers never before used by a President. With the billions of dollars given him, with the authority given by this bill, there can no longer be any divided responsibility for the conduct of the war or for the program for national defense.

#### OUR PRESIDENT

Out of the sky came a vicious assault by a skillful and determined enemy and ere it was ended a representative of the Democratic Party, who was President, became our President. He became the actual commander of the Army and Navy.

In stirring appeals, he called for a declaration of war against three major world powers. From a patriotic Congress, without hesitation, his call was answered. He appealed to the people of the country for unified support and there arose no dissenting voice.

Today he stands forth as the most powerful ruler in the world. He is your President. He is my President. He is our President.

The President called upon the people of these United States, he called upon the Congress, for support, and his call was answered, as ever such a call will be answered by our people.

Having given the President unqualified support, the people of the United States are now calling upon him for a like response to their demand that he be, as President, not the representative of a political party, but the President of all the people, a Commander in Chief of all



as well as of the Army and Navy, demanding of all, of the civilians as well as of the Army and the Navy, that all work in unity and for the sole purpose of winning the war and preserving our Nation.

Last night the President spoke of the Bill of Rights, of the necessity of maintaining the rights therein set forth. The people of the United States are thinking of the fifth amendment to the Constitution, which, among other things, provides that no person shall "be deprived of life, liberty, or property without due process of law."

In this land of ours, under the Constitution, under the Bill of Rights, every man is entitled to exercise the unqualified right of earning his own livelihood.

On the 14th day of November, last, the President of the United States, in the captive coal mine controversy, uttered these words:

The Government of the United States will not order, nor will Congress pass legislation ordering, a so-called closed shop.

Facing John L. Lewis, the President, referring to the miners in the coal mines who refused to join Lewis' union, uttered these words:

The Government will never compel this 5 percent to join the union by a Government decree. That would be too much like the Hitler methods toward labor.

The President's National Defense Mediation Board having refused the closed shop, the President later appointed a board of three arbitrators. The arbitrator who held the deciding final vote was a representative of the Federal Government, Mr. Steelman, who took leave of absence to serve on that Board.

That board of arbitration ordered a union or closed shop in the soft coal mines of the country.

We all know that that closed-shop order will be followed by other similar orders and that, throughout industry, the Government will compel men to join a union, because of the President's action.

We know now that men will be compelled, without due process of law, to give up their property right—the right to work when and where they will—and be forced into a union. This the President has done, notwithstanding his statement made on the 14th of November, last, that such a procedure "would be too much like the Hitler methods toward labor."

At the President's call, there is now sitting in Washington a council or board charged with solving the disputes between labor and industry. On that board are representatives of organized labor, representatives of industrialists; but there sit on that board no representatives of the unorganized worker, who in number exceeds several times the number of union employees. Nor on that board does there sit any representative of the consumer, who must furnish the funds which enable organized labor and industrialists to function.

The cards are stacked against the unorganized workers, against the consumer, against the public.

Although the President has called for an all-out effort from all of us; although

he will receive the unqualified, the unlimited, support of the vast majority of the American people, organized labor has announced that there must be no labor legislation; that there must be no interference with the laws which limit hours of employment, which protect wages.

Organized labor has pledged its support to the President, but with the reservation that there shall be no disturbance of minimum wages, of maximum hours. Organized labor has agreed to cooperate, provided it receive double pay for holidays, pay and a half for all hours spent in the service of the Nation over 40 per week.

While our boys serve in Iceland; while they die in the Atlantic off the shores of Iceland; while they perish in the waters of the Pacific; while they are blown to bits in the Philippine Islands, in Pearl Harbor, where they serve 24 hours a day, 7 days in the week, for the paltry sum of \$21 per month, here in America we call upon the President of the United States to be the Commander in Chief of the Army and the Navy, the President of all the people, and to see to it that no one, whether it be organized labor or the individual worker, shall refuse to serve his country longer than 40 hours per week unless he be paid double wages or wages and a half for all hours spent in national defense over and above the 40 hours per week.

If there is any one thing that every Member of this House knows, it is the fact, and the people of the country know it too, that this war never can be won by speeches or proclamations or declarations of might. Secretary Knox can write all the articles for the American magazine that he wants to, but that article he wrote telling about our Navy, its power, and its invincibility, never prevented the falling of one bomb or the killing of one man. There is only one thing in this country that will win this war, and we all know it, and that is production in our factories, in our mines, and in our mills.

The responsibility which the President assumed, which was laid upon him when we pledged our unqualified, unwavering allegiance to him, is the responsibility of seeing to it that we get production. Upon him rests the responsibility of creating behind each fighting man a reserve not only of men but of matériel—and there must be 18 civilian workers behind every soldier in uniform and there must be inexhaustible matériel.

No war against Germany, Italy, or Japan can be won on a 40-hour week. Nor is the winning of that war hastened by raising the cost of the munitions of war by pay and a half or double pay.

The President is Commander in Chief of a people at war and this bill gives him all the power that mortal man can have or for which he can ask. This bill which we are passing today gives the President the power of a dictator.

Thirty-two days ago, John L. Lewis demanded of the President that he grant him the right to levy tribute upon every American workingman who might desire to work in defense of his country, in support of the men in the Army and the

Navy. Let me repeat what the President said on that occasion. He said:

The Government will never compel this (remaining) 5 percent to join the union by a Government decree. That would be too much like the Hitler methods toward labor.

That declaration was a declaration in accord with the principles of the Constitution. It but reiterated the declaration of rights contained in the fifth paragraph of the Bill of Rights. It was a statement of good, sound American doctrine, courageously made by Franklin Delano Roosevelt.

But on last Monday, we were told by a board to whose action I have just called your attention, that, if men and women would work for their country, they must buy a license of Lewis. That news came to us on Monday last, the same day that we received the news of this disaster across the Pacific.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. HOFFMAN. American citizens were in effect told by the President's arbitrators that, notwithstanding his declaration that the Government would never compel a man to join a union, he could not work in a factory to make the ammunition to load the gun that was being fired by his brother on the fighting line, in bomber or on warship of the Navy, unless he paid tribute.

I call upon the President of the United States for unity of action. I call upon the President of the United States to enforce his statement that the Government would not compel a man to join a union before he could uphold the hands of our fighting men.

We have not forgotten how another President sent our Navy to destroy the Barbary pirates because they demanded tribute for the right to sail the Mediterranean.

I call upon our President, as Commander in Chief of our Army, knowing the success of our arms on land and sea depends upon production here at home, to extend to every man and to every woman who desires by his toil to support our armed forces the right—and to protect him in the right—to work when and where he will, and without fear of coercion, of violence, or fear of being ostracized.

Then we can cheerfully, enthusiastically go along with the President—aye, to the end of any policy he may advocate—but in return I ask him to give to these boys who are serving this country, to those who are about to be added to the armed forces of the United States, the assurance that here at home we who remain are going to be required to serve to the limit of their ability, and that everyone who wants to serve his Government shall have that opportunity—the opportunity of serving without let or hindrance, without restriction.

I call upon the President of the United States, as he has called upon the people, to forget all thought of politics and of party, of pressure groups which claim special privileges because of their voting strength. I call upon the President of the



United States to be the President of all the people; to be my President as well as your President.

Let the President, acting as Commander in Chief of all the people, call upon the Congress—especially that portion of the Congress which now has under consideration labor legislation—to act upon that legislation and to give to the people, to organized labor, to the independent worker, who far outnumber the members of the unions, to employers, to the consuming public, legislation which is just and fair; a complete overhauling and rewriting of the N. L. R. A., which is one of the basic causes of our present lack of production, growing out of slow-downs, stoppages, and strikes in industry.

I call upon Franklin Delano Roosevelt to be the Commander in Chief of the working men and women who do not belong to any union, who desire only to perform in the rear ranks, in the ranks here at home, the services which are absolutely essential if the war is to be won, and to protect them in the rendition of that service, without which services neither he nor we can win.

Mr. NELSON. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Speaker, of course, this bill proposes the granting of great powers to the President. They are war powers, necessary war powers. I believe the reason why there have been so few dictators in the long history of Anglo-Saxon governments—and I speak of Anglo-Saxon government not in a racial but in a governmental sense, of course—is the fact we seem able instinctively almost to sense the condition which requires a quicker pick-up and a stronger power than our institutions, functioning normally are able to develop.

In such a situation as this in which we find ourselves, instead of our people turning everything over to a dictator, they have been able to concentrate what would ordinarily amount to a dictatorial power in their Executive, at the same time retaining the power in themselves to control its exercise, and to recapture and distribute those powers when the emergency has ended. Now, we are going to be put to another test to determine whether we can do that. It is well for us to take a little time and consider how we are going to do that job this time. We have got to concentrate these emergency powers, and we have to retain the power to control their exercise, and we have to retain the power to recapture and distribute them when the emergency is over. There is no difference between the efficiency of a democracy that will do that sort of thing and the efficiency of a dictatorship. It is the glory of the Anglo-Saxon system of government that we have been able to carry on wars and still not imperil our liberty, a thing which other government systems do not seem able to do. Your Committee on the Judiciary is undertaking to do that sort of thing in this instance. We have provided these great extraordinary powers to the President, and we have retained in the two Houses of Congress the power to terminate these extraordinary powers,

delegated to the President in titles 1 and 2 of the bill. I would like to have the Members of the House constantly keep that plan and that pattern in mind, because we are headed into deep, dark waters. No one should mistake where we are headed. Only the greatest people can win through for this country. We are rapidly becoming a great people fit to survive. It is a great thing to see the solidity in this House and it is a great thing to observe the solidity of the country. We propose to give the necessary power to the Commander in Chief and the support necessary to win this war.

Mr. NELSON. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I challenge the statement made by the gentleman from Michigan [Mr. HOFFMAN]. I think his criticism of the President is entirely unfair. It is criticism of that character, derogatory as it is, that undermines public confidence in our President. The President is not the President of a mere group, as is implied from the gentleman's statement. He is the President of all the people. His actions indicate that he wishes to represent all of us in this country including the gentleman from Michigan. His implications that he acts solely for labor is as fallacious as it is ridiculous.

I also state that labor is just as loyal as the gentleman from Michigan is loyal and that labor wants to produce just as much as the gentleman from Michigan wants labor to produce. The President is setting up the Mediation Board to which the gentleman refers, in the interests of greater production of bringing about cessation of labor difficulties. If the gentleman from Michigan will examine history, he will find that our President Wilson did during the last war when he authorized his Secretary of Labor to create a War Mediation Board. I may not have the name correctly, but it is a name similar to that—to be composed in part of representatives from labor, representatives from capital and industry and from the general public. That board, as set up, functioned most successfully, because there was not a single strike or stoppage of work for the duration of the last war. I predict that a similar situation will occur during the pending war and under that pending War Mediation Board, so-called, there will be no strikes, particularly because of the wisdom, perspicacity, foresight, and ability of our great and noble President.

Finally, as an example of the desire of the administration to increase production, let me point to the recent order of Judge Patterson, able Under Secretary of War, which ordered the five big munitions industries—the manufacturers of ships, planes, tanks, guns, and ammunition—to go on a 24-hour day, 7-day week.

[Here the gavel fell.]

Mr. NELSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore (Mr. LANHAM). The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. SUMNERS of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6233), to expedite the prosecution of the war effort.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6233, with Mr. DAVIS of Tennessee in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. SUMNERS] is recognized for 1 hour, and the gentleman from Kansas is entitled to recognition for 1 hour.

Mr. SUMNERS of Texas. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I hardly know what additional statement would be helpful to the Committee in the determination of what we ought to do with reference to this bill.

As the gentleman from Michigan stated, it is a rather involved bill in a sense, but from the standpoint of what seems to be in the minds of the members of the committee it is a very simple bill. The bill reenacts the Overman Act, eliminating section 3, with such modifications as I believe nobody considers material.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. CASE of South Dakota. I notice that in Title III there is section 303, which provides for the establishment of authority for censorship for communications between this country and other countries. I am wondering if the original Overman Act did not carry such a provision, or if it did, what are the changes between this proposal and the previous act?

Mr. SUMNERS of Texas. The Overman Act did carry a provision with regard to censorship. No; I believe it was in the Trading With the Enemy Act.

Mr. KEFAUVER. I think the censorship part is in the Trading With the Enemy Act and not the Overman Act.

Mr. SUMNERS of Texas. That is correct. It is the Trading With the Enemy Act and not the Overman Act. This bill attempts to bring into one legislative enactment what is regarded to be those provisions of the Overman Act and Trading With the Enemy Act which it is required to legislate relative to now.

Mr. CASE of South Dakota. Then the provisions with regard to the censorship of communications does not differ materially with what it was in previous law, whether it is the Overman Act or the Trading With the Enemy Act?

Mr. SUMNERS of Texas. I think that would be a correct statement.

Mr. CELLER. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. CELLER. Would it not be well to state that there is no domestic censorship involved in this legislation at all?



Mr. SUMNERS of Texas. Yes. I think the gentleman understands that. Mr. CASE of South Dakota. Yes; I understood that.

Mr. SUMNERS of Texas. But I think for all practical purposes it is a correct statement to say that there is no substantial difference.

I do not know that there is anything further to be said about it.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. KEAN. I notice on page 5 that you have included securities, which were not included in the old Trading With the Enemy Act. That makes provision that during any period of national emergency declared by the President for all time he may prohibit the hoarding of securities. What does that mean?

Mr. SUMNERS of Texas. To what language does the gentleman refer?

Mr. KEAN. I refer to page 5.

Mr. SUMNERS of Texas. Has the gentleman made an examination of the provisions of existing law, appearing in the appendix of the report?

Mr. KEAN. I looked at the changes in existing law on page 4 of the report, and it included in existing law the hoarding of gold and silver bullion or currency, but the word "securities" is something new.

Mr. SUMNERS of Texas. This possibly is an expansion to incorporate securities.

Mr. KEAN. I am just wondering what the hoarding of securities is.

Mr. SUMNERS of Texas. I do not know.

Mr. KEAN. It seems to me that under the language of this section the administration could say to anybody that he had too many securities.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. ROBSION of Kentucky. Under the provisions of the Trading With the Enemy Act and the alien property custodian features under the old law, they could just take over property, securities, plants, and so forth, and hold them; but under the provision we are now considering the Government cannot only take them over and hold them but can use them as well.

Mr. KEAN. I do not believe this refers to foreign securities only, but might be construed to refer to securities held by anybody in the United States.

Mr. SUMNERS of Texas. I do not believe so. This is simply a section dealing with alien enemies.

Mr. KEAN. If it deals only with alien enemies I think it is perfectly all right.

Mr. SUMNERS of Texas. I believe there is no doubt about that.

Mr. KEAN. That is all right, certainly.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. JENKINS of Ohio. The gentleman may have covered the point I am about to ask him for; I was not here when he started. Has the gentleman covered the main differences between

this bill and the powers granted to President Wilson in the first World War?

Mr. SUMNERS of Texas. I made the general statement that I believed for all practical purposes we may say there is no substantial difference. Some modifications have been made that were deemed necessary. Guided by experience certain modifications have been made, but I believe I can state generally and that the members of the committee will generally agree, that there is no substantial difference between the provisions of this bill and the similar grants of power in the Overman Act and the Trading With the Enemy Act.

Mr. JENKINS of Ohio. One further question, if the gentleman please.

Mr. SUMNERS of Texas. Certainly.

Mr. JENKINS of Ohio. I have the most profound respect for the gentleman and his committee but have wondered whether there was any controversy at all over this bill. The reason I am asking these questions is so that if I am asked about the bill I will know something about it, and want to say that the great Judiciary Committee of the House considered it and unanimously agreed on its report.

Mr. SUMNERS of Texas. The Committee on the Judiciary did examine the bill. We recognize that it was a technical matter and pretty difficult for us to know all the details. The committee was largely persuaded by the discovered facts, the recognized facts, that there is no substantial difference insofar as the committee could discover between the powers we propose to grant to this President and the powers which President Wilson had. That is about as much as I can say.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. SPRINGER. Title II, section 201, relating to contracts is the only entirely new section in the bill. Would my distinguished chairman explain that thoroughly to the Members of the House so they may fully understand it?

Mr. SUMNERS of Texas. Yes. I appreciate my colleague's calling attention to it. The statement I made therefore is not entirely accurate, because this provision with reference to contracts, title II, is a new section. It authorizes the letting of contracts without competitive bidding. This, as you know, has of course been done pretty largely already in certain situations. The reason the administration asked for this as explained to us is that frequently small contractors are unable to comply with requirements with reference to bonds and things of that sort. Sometimes they are not able to make these war materials as cheaply as big concerns can. Frequently their financial condition requires advances. It was because of these conditions that this provision was inserted in the bill in order that we might have an opportunity to give the small manufacturer a chance to participate in the production of war materials.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield myself 5 additional minutes.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. LEA. I have noticed with interest that the bill includes title III, an amendment to the Trading With the Enemy Act. This is a subject matter which is within the jurisdiction of the Committee on Interstate and Foreign Commerce. I recognize that this is no time to quibble over the question of committee jurisdiction in view of the national situation, but title III has no direct relationship to the other sections of the bill. It would seem therefore to be a case where apparently our committee's jurisdiction has been invaded. I hope it is not the purpose of the gentleman's committee to attempt permanently to take this jurisdiction away from the Interstate and Foreign Commerce Committee which originally reported the bill to the House.

Mr. SUMNERS of Texas. To whatever degree this particular bill trespasses upon the jurisdiction of the great Committee on Interstate and Foreign Commerce, I am sure the Committee on the Judiciary will not attempt to hold this as a precedent.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. BENDER. The gentleman is familiar with the fact that the statute of limitations was changed in 1934 from 6 to 3 years. Does not the gentleman feel that in the enactment of this legislation possibly we should again extend the statute of limitations to 6 years?

Mr. SUMNERS of Texas. I may say to my friend from Ohio that the members of our committee have been considering it. Yes; I think the statute of limitations ought to be extended. I think it ought to be certain that the statute of limitations will not bar any prosecution of persons who should be prosecuted in connection with this war activity.

There are some other things that I think ought to be done, and I believe our committee is going to be able to bring some additional legislation before you. I certainly hope, Mr. Chairman, that this bill will be permitted to go through without amendment for the reason that the House bill and the Senate bills as introduced are identical. This legislation is deemed by the administration to be urgent and that is the reason we are trying to rush it through.

Mr. GUYER. Mr. Chairman, when the framers of the Constitution met in Philadelphia to construct the framework of a government for the preservation and evolution of human liberty, they found themselves sharply divided between those who favored an energetic system, a powerful central government with great executive powers, and those who, remembering experiences with kings and arbitrary rulers, opposed a powerful centralized government and favored a government of more limited powers and of weaker structure.

While Thomas Jefferson was not a member of the Constitutional Convention, being at that time our Ambassador to France, he took up the fight of those who favored a weaker government, and, as Secretary of State, represented that



element that came into conflict with Alexander Hamilton, who had stood for a more energetic system of government in the convention which framed the Constitution.

The Constitution was the result of many compromises between these extreme and conflicting views of government. In order to produce a constitution which could be agreed on in the convention and have a good chance of ratification by the States, neither of these opposing elements had their way.

Then probably in spite of all the compromises that eliminated any extreme executive powers, the fact is probable that the Constitution would never have been adopted without the understanding that the Bill of Rights should constitute the first amendments to the Constitution. Even then it was only adopted after fiery conflicts between these two opposing elements.

No government is any stronger than it is in a crisis. And it followed that when our Government was confronted by a great crisis, the Congress supplemented the provisions lacking in the Constitution and granted powers to the Executive not specifically authorized in the organic law as set forth in the written Constitution. In a great crisis it becomes necessary for the Nation to strike as one man, with the resistless force of a united people. So the Congress with unanimous approval of the people supplied the machinery which the Constitution failed to provide.

During the War between the States, which was the greatest crisis ever faced by our country, President Lincoln was given extraordinary powers so that he could act in accord with swift decisions. This was our greatest crisis, because we were a divided people in which brother was arrayed against brother and State against State. In the Spanish-American War, President McKinley was given expanded powers also.

In World War No. 1, great executive powers were granted to President Woodrow Wilson, and the statute we are asking the House to enact today is, with a few amendments, similar to that act known as the Overman Act, which contained the necessary powers to prosecute that war to a successful conclusion. So, today we are asking you to pass this legislation granting the proper powers which are in the power of the Congress to revoke and to terminate with the end of the war.

Mr. Chairman, I now yield 10 minutes to the gentleman from New York [Mr. HANCOCK].

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I hope that the gentleman in his remarks will explain the last proviso in section 1 of the bill. My reason for making that request is that section 1 of title I, as I understand it, is practically a reorganization bill in itself, and even gives more powers for the reorganization of Government agencies than was proposed in the so-called Reorganization Act. At that time we had some exceptions in the case of cer-

tain specific agencies. This proviso, I believe, takes care of that situation.

Mr. HANCOCK. Mr. Chairman, there are several safeguards on the powers granted by the first title which I shall try to point out as I go along.

This bill was introduced at the request of the executive department. They feel very strongly that this bill is urgently and promptly needed for the successful prosecution of the war and for the support and maintenance of the Army and Navy. They are asking for the same powers that President Wilson had and used extensively in the last World War. I may point out that those powers were returned to the Congress and to the people when the war was over. It is true it took a change of administration to do it, but history may repeat itself when this crisis is passed.

As has been pointed out to you, this title is practically the reenactment of a bill passed by the Congress and approved by the President on May 20, 1918. It was a war bill, known as the Overman Act. The first title of the present bill is identical with that act except it omits section 3 of the original act which is no longer necessary or desirable. That section set up a special agency to regulate and control the production of aircraft. The provision has been dropped from the present bill.

There is one other change. Under the original act the rules and regulations of the President for redistributing functions among the executive agencies before becoming effective were obliged to be filed in the offices of the chiefs of the agencies or bureaus affected. Now those orders and regulations to be effective under the Federal Register Act of 1935 must be deposited with the Archivist before they have the effect of law. The bill is changed accordingly. The gentleman from South Dakota pointed out that at the end of section 1, title I, this language occurs:

*Provided further, That the authority by this title granted shall be exercised only in matters relating to the conduct of the present war.*

There is a further safeguard to the same effect in the opening line of the first section, which reads that this bill is for the purpose of—

national security and defense, the successful prosecution of the war, for the support and maintenance of the Army and Navy, for the better utilization of resources and industries, and for the more effective exercise and more efficient administration by the President of his powers as Commander in Chief of the Army and Navy.

It is provided in section 5 that upon termination of this title all executive or administrative agencies, governmental corporations, departments, and so forth, shall exercise the same functions, duties, and powers as heretofore or as hereafter by law may be provided. In other words, when the war and the emergency passes, the various bureaus and agencies of the Government will return to their normal functions. They will be placed in status quo except as changed hereafter by act of Congress. Further, the very last paragraph of the last title provides that

titles I and II of this bill shall remain in force during the continuation of the present war and for 6 months after the termination of the war, or until such earlier date—we were rather careful to insert this safeguard—as Congress by a concurrent resolution or the President may designate.

So there are four distinct limits on the danger of these vast powers becoming permanent law. I believe that the President had all of these powers under the Reorganization Act that we passed a few years ago. Perhaps some of you gentlemen are better informed than I am in reference to that. Under that act, however, the Congress had the power of veto and there was a 60 days' waiting period before the regulations issued under it became effective. This will permit the President to reorganize immediately.

Mr. WALTER. Will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Pennsylvania.

Mr. WALTER. The principal difference, of course, is that under the Reorganization Act the reorganization had to be done within a specific period. That date has long since passed.

Mr. HANCOCK. The powers have lapsed?

Mr. WALTER. Yes.

Mr. HANCOCK. We have done something similar to this even in times of peace, and that is perhaps the point I should emphasize, with this difference: At that time there was a waiting period, and the Congress had the power of veto. We are now giving these powers to the President for the limited period of the duration of the war, and without those other limitations. The bureaus and departments affected by these rules and regulations will return to normal when the war is over, so that any reorganization now made will be temporary.

Perhaps the most far-reaching provisions of the bill are contained in title II, which permit the President or any of his agents to enter into contracts without regard to the provisions of any other law. This means that it will not be necessary to have competitive bids or to demand faithful-performance bonds, and it means that progress payments may be permitted, as well as various other things that are prohibited by general law. The President will be allowed to use these powers during this emergency, with the exception that these new powers will apply only to contracts in connection with the prosecution of the war, and with the further exception that nothing in the law shall authorize the use of the discredited cost-plus-a-percentage method of doing business.

Mr. JENKINS of Ohio. Mr. Chairman will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I know that under the present conditions the War Department or whatever agency functions for the Government is building mammoth plants over the country without asking for bids. The plants are built under what are called negotiated contracts.



Mr. HANCOCK. We passed special laws authorizing the Army, the Navy, Reconstruction Finance Corporation, the Maritime Commission, and other agencies to violate various features of these restrictive laws of ours. We have gone quite a way in emergency legislation to relax the old safeguards, but we are now taking a very long step when we extend this to all departments of the Government engaged in the prosecution of the war.

The purpose is obvious: We wish to be able to make contracts quickly and to modify them when necessary, to distribute contracts geographically, and to encourage the use of subcontractors. We are taking risks, I admit. We may have graft, waste, and extravagance. However, it is the opinion of the responsible authorities of this country that speed in production is of the essence in our great national effort. Further, the section will greatly facilitate the award of contracts and the spread of contracts where there are factories and facilities available to produce articles which the Government needs. We hesitate to vote for anything as dangerous and far-reaching as this title, but I think the reasons for it justify it; it is speed in negotiating contracts and distribution of contracts to those who are qualified to produce what we need.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Minnesota.

Mr. O'HARA. I call the gentleman's attention to subdivisions (A) and (B) of section 301 of title III. One of my colleagues has called my attention to some of the language in these sections. There is no question that it is the intention of this bill to regulate and control the property and securities of foreign countries and nationals thereof, but the language there is confusing. I think we should clear up some of that confusion.

For example, on line 16 on page 5, this and the following language might cause confusion about whether or not it means both foreigners and citizens of this country.

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. HANCOCK. I believe the gentleman will find the limitation quite clear. If the gentleman will look at line 15, he will find that this whole section applies to property in which any foreign country or a national thereof has any interest. It deals with alien property.

Mr. O'HARA. Yes; but it then reads—  
by any person, or with respect to any property, subject to the jurisdiction of the United States.

Of course, if it were not in the United States we would not have jurisdiction of it. I believe there is some confusion in the language. There is no question about the intention of the committee that this is to deal only with foreign property. That is the point to which I call the gentleman's attention.

Mr. GWYNNE. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Iowa.

Mr. GWYNNE. Does not the gentleman think that the entire bill covers nothing but aliens and alien property? There is no question about that, is there?

Mr. O'HARA. I still say you have to be careful of this language.

Mr. HANCOCK. It is perfectly clear that it is intended by section 301 to deal only with property, bullion, gold and silver coins, foreign exchange, evidences of indebtedness, securities, and all kinds of real and personal property belonging to aliens.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Referring to paragraph (A) of section 301, found on page 5 of the bill we have, will the gentleman point out how that is limited to foreign property in any way?

Mr. HANCOCK. That is the language of the present law, I may say to the gentleman.

Mr. VORYS of Ohio. It is not quite the language of the present law. In any case, we are reenacting it here under a heading, "Trading with the enemy." The language before me simply permits the President during any period of national emergency, not necessarily war, to investigate, regulate, or prohibit importing, exporting, hoarding, melting, or earmarking of gold or silver coin or bullion, currency, or securities.

Mr. HANCOCK. (A) has to do with the investigation, regulation, and control of various forms of securities, money, and bullion. (B) has to do with the investigation, regulation, and so on, of other forms of property. The limitation is this, and I quote from lines 14 and 15 on page 11:

Any property in which any foreign government or a national thereof has any interest.

This limitation applies to both (a) and (b), as I see it.

Mr. VORYS of Ohio. Where does the gentleman read those words?

Mr. HANCOCK. I shall have to get the new bill. Most of us have studied the old bill. Lines 14 and 15, page 11.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. I believe the gentleman is probably mistaken about subsection (a) of section 301 applying only to nationals of a foreign country. Apparently the purpose of subsection (a)—and I think it is absolutely necessary—is to prohibit our own citizens from sending money or currency into other countries, which might be our enemies, or to prevent them from hoarding securities or money that might be needed by this country. So, I think that provision in subsection (a) does apply to our own nationals, but I think it is absolutely necessary that the power should be given to the President in wartime.

Mr. HANCOCK. The gentleman, I think, is partially correct, so far as Amer-

icans are concerned. The law which we passed in 1933 prohibited the hoarding at least, of gold bullion. Other types of hoarding should be taken care of in a different bill. This one is intended to apply to alien property.

Mr. KEFAUVER. I think substantially the only difference between this provision and what the law is, is that one says "securities" on page 5, whereas the present law probably defines "securities" as evidences of indebtedness.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman.

Mr. VORYS of Ohio. Would the gentleman explain what the preventing of hoarding of securities means and what that has to do with trading with the enemy beyond the fact that something is in the present law and, of course, the hoarding of securities is not in the present law?

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield to the gentleman 2 more minutes.

Mr. HANCOCK. Let me go along for a moment. There is another very important change in section 301 from the present Trading With the Enemy Act. Under our former law I think we still have power to seize enemy alien property and under our present law of export control we have considerable additional power over alien property, but this goes much further and gives the agents appointed by the Government the power to seize any property, any and all alien property, whether belonging to friend or enemy, and to put it into use. This is a power that has never been enjoyed before by any specific provision and it is important. It gives us the right to utilize the property we take over. The bill covers considerably more ground in this respect than the old act. I assume the purpose is this: Quite frequently there will be property bound for some neutral country which it is expected will eventually reach an enemy, and in that event the Custodian of Alien Property is authorized under this bill to seize that property and to utilize it for our own purposes. This is a power that was not granted in 1917, when a similar bill was passed.

The acquittance provision at the bottom of page 6 is in the present law:

Any payment, conveyance, transfer, assignment, or delivery of property or interest therein, made to or for the account of the United States, or as otherwise directed, pursuant to this subdivision or any rule, regulation, instruction, or direction issued hereunder shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same.

You will find it in sec. 7 (e) of the Trading With the Enemy Act.

There is nothing new or strange or startling about this, although a good many people have asked me about it. It simply means that if operating under a regulation or order, you turn over some property which belongs to another person to the Alien Property Custodian, that person has no cause of action against you, but his remedy must be sought against the Alien Property Custodian.

[Here the gavel fell.]



Mr. GUYER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. HANCOCK. Section 302 is a very common sort of clause, a sort of saving clause, that is put into many bills of this kind. I assume the real purpose of it is to legalize certain seizures, contracts, and censorships that have already been made in anticipation of the passage of this bill. The committee narrowed the scope of the section as far as we could by adding the rather clumsy language at the end of the section.

Section 303 is exactly the same as section 3 (d) of the Trading With the Enemy Act of 1917, with the exception that a penalty is added at the end of the section, and that same penalty can be found in section 16 of the old act for similar violations.

We believe that the passage of this bill will make it possible for the Executive to act promptly in Government reorganization and in the distribution of contracts geographically and to small subcontractors and to small business. It will permit the Government to seize and utilize alien property and will establish the right of censorship over mail and communications between this country and abroad. These powers will terminate when the war is over, and they will help win the war. They are necessary for the successful prosecution of it. Other drastic steps will be taken, but the American people are reconciled to them and will not hesitate to make any sacrifice to save what we hold most dear. At last our Nation is angry and determined and united.

Mr. SUMNERS of Texas. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I take this time to call the attention of the members of the Committee to this language which seems to be confusing to some degree. When you examine the bill you find that (A) and (B) do not constitute separate sentences and the language contained in (A) and (B) is connected up with this language, reading now beginning at line 13, to get the connection:

power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest.

This is limiting, and I think definitely fixing, language, and for the purpose of the record, as chairman of the Committee on the Judiciary, I make this statement, and I speak for the committee—I know I have the privilege to speak for the committee—that it was the intent of the committee and the understanding of the committee that what preceded in sections (A) and (B), on page 5, title III, Trading with the Enemy Act, are controlled by the language which I have just read, and I think that would remove any question.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. VORYS of Ohio. Then the chairman of the committee says that there was no intention to set up under (A) a system of control on strictly domestic property, but it was the intention of the committee to have the controls refer,

both in (A) and (B), to transactions involving property in which any foreign country or a national thereof has an interest?

Mr. SUMNERS of Texas. Absolutely. I think most of the members of the Committee on the Judiciary are present on the floor.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GUYER. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. GWYNNE].

Mr. GWYNNE. Mr. Chairman, this bill contains three titles, and three separate and distinct subjects. Title I, reenacting the Overman Act, has been pretty well discussed. There is no use of denying the fact that this gives the President tremendous powers to reshuffle bureaus and commissions, and to take the duties and powers from one Government commission or corporation and put them somewhere else. There are, however, certain limitations. For instance, there is no authority granted to consolidate executive departments, and no authority is given to abolish a bureau or an agency. The President's authority there is limited to making a report to the Congress before taking further action. The fourth and probably the most important of all is that all moneys appropriated by the Congress must, under this bill, be expended for the purpose for which appropriated, and the net result is that the spending may be done by different personnel or by a different bureau than at present.

I have nothing to say about title II except that of course it is a power that we would never give except in time of war.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. Yes.

Mr. CURTIS. What happens at the close of the war with reference to changes made under title I? Would the changes continue, or would the original conditions revert back?

Mr. GWYNNE. That is taken care of in this bill. They all go back. As to title II, of course, we have been forced by necessity to change the law. We here permit contracts to be made without regard to the provisions of existing law as to bidding and without regard to provisions for bonds. We now take the lid off entirely, with the exception that we still outlaw that sort of contract known as cost-plus. We put in some safeguards, in that we direct the President to adopt certain regulations to safeguard the Government. There is, of course, great possibility for fraud and favoritism and partiality, and I think we will not have completed this job, and I am for title II, unless we pass stringent laws prohibiting frauds and favoritism, and cause criminal penalties to be imposed on any person who takes advantage of the Government in this emergency, under title II.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. Yes.

Mr. AUGUST H. ANDRESEN. Under title II there may be opportunity, as I see it, for the small manufacturer of the country to get some of these defense orders.

Mr. GWYNNE. That is correct, and that is one of the purposes of the title, and we hope that it will accomplish that very thing.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. Yes.

Mr. DIRKSEN. Why would it not be feasible to require monthly report under title II, showing in detail every contract negotiated when, and with whom?

Mr. GWYNNE. Let me say that we considered that but did not do anything about it as it is such a tremendous job. I think that ought to be considered, however. We will now come to title III, about which there seems to be more or less confusion. You all remember that in the last war we passed the Trading With the Enemy Act. I think the first law was passed in October 1917. Thereafter from time to time we amended the law, and passed new laws, and thereafter from time to time we repealed parts of it, and parts of it have been held by the courts to be no longer in operation. I confess that it is difficult to say just how much of that law is now in effect. Back in 1933 and in 1940 we amended the law, we amended section 5 (b) of the original law, and we passed that law at a time when there was a great deal of difficulty in respect to banking, and the matter of foreign exchange. In this bill the committee has amended the first sentence of section 5 (b) of that act, and I think it confers on the President the following powers. Of course it is not self-executing and nothing happens until the President exercises the powers conferred upon him under the law. I think he may exercise powers as follows: First, he may regulate or prohibit transactions in foreign exchange, and the importation or the exportation of certain articles, and so forth.

Apparently there is some confusion as to whether that does or does not cover transactions other than those involving aliens and alien property. It is my understanding, as suggested by the chairman of the committee, that our committee had no thought other than to regulate alien property, and if clarification is necessary, perhaps that will be supplied at the proper place and at the proper time.

The second authority is this: To regulate and prohibit the transfer or use of property of any foreign nation or of any foreign national in the United States.

Third, the President is given authority to vest the ownership of such property in any person designated by the President. For example, I presume later on we will carry out the purposes of this statute by creating an Alien Property Custodian.

Fourth—and this is the principal difference between this law and the one we had during the last war—the President may hold and use—that is the new part—or sell such property for the benefit of the United States.

Fifth, he may require the keeping of records by all persons so that the purposes of the law may be carried out.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield.



Mr. KEFAUVER. Does not the gentleman agree that under the present law as amended in 1940 it applies to citizens of the United States and that subsection (a) of the bill on pages 4 and 5 is just a re-enactment of the present law, substituting the word "securities" for "evidences of indebtedness"?

Mr. GWYNNE. Of course, the gentleman knows what happened there. That long, involved first sentence of section 5 (b) was revamped and the construction changed, and I am inclined to think the gentleman may be right about it. In any event, I do think that should be clarified some time.

Mr. KEFAUVER. If the gentleman will read section 5 (b) of the present law he will find that the first part of it refers to exporting, melting, or earmarking of gold, silver coin or bullion or currency, and "any transfer." Then the second part of it refers to the interest of a foreign national in the securities. Under the first part, before the word "and," is the authority the President used to seize the gold during the depression and to freeze it.

Mr. GWYNNE. That is correct. That is my understanding. I might say in answer to that question I do not know how far we should go along that particular line, but we should make up our minds and write language which would clearly express it.

Mr. KEFAUVER. In any event, this does not go any further than the present law?

Mr. GWYNNE. That is correct. There is no doubt of that. That is exactly the present law and the confusion that we now find is in the present law.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield.

Mr. O'HARA. There may be some inference by the question asked by the gentleman from Tennessee [Mr. KEFAUVER] that this was to apply to other than property of nationals of foreign nations. Will the gentleman clear that up?

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield to me?

Mr. GWYNNE. I yield.

Mr. KEFAUVER. In my statement I did not mean to leave any inference. I meant to say directly that subsection (a) does apply to American nationals and always has. Subsection (a) is the law today, with the word "securities" added.

Mr. O'HARA. You mean with reference to the hoarding?

Mr. KEFAUVER. It does.

Mr. O'HARA. Do you mean that section (a) applies entirely to all American citizens?

Mr. KEFAUVER. It applies to any person, whether an American citizen or a foreign national, subject to the jurisdiction of the United States, who may hoard or melt or earmark any silver coin or bullion, currency or securities. That is the law today under section 5 (b) as amended by the act of 1940, except that instead of using the word "securi-

ties" in the old law, the old law says "evidence of indebtedness," or "evidence of ownership of property."

Mr. O'HARA. Will the gentleman agree with me that section (b) of title III certainly is intended to apply to foreign nationals and foreign governments?

Mr. KEFAUVER. Yes; I agree with the gentleman. Section (b) does apply to property in which some foreign national has an interest, and section (a) applies to anyone under the jurisdiction of the United States.

Mr. O'HARA. I think that is true.

Mr. GWYNNE. May I ask the gentleman from Tennessee, does not the gentleman think there is necessity for rearranging that sentence, so that the desire of the Congress is clearly expressed as to whether it should or should not from now on cover the nationals of our own country as well as nationals of other nations?

Mr. KEFAUVER. If you will read the present section 5 (b) on page 4 of the report, which is the old act as amended by the act of March 9, 1933, and May 7, 1940, I do not see how there can be any question in the mind of anybody but that the first part applies to anybody in the jurisdiction of the United States and the second part applies to foreign interests or the interest of foreign governments. I think it is entirely clear.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield.

Mr. STEFAN. When your committee discussed section (a) in the matter of gold or silver coin or bullion, did your committee take into consideration other metals, such as platinum? It has been called to my attention that a considerable amount of platinum bars have changed hands on the New York Metal Exchange for the purpose of some safety for the individual. Was this question brought up in the gentleman's committee in the discussion of this bill?

Mr. GWYNNE. The committee gave that no consideration. The intention of the committee was to make a beginning of regulation of aliens and alien property in this country.

Mr. STEFAN. This, of course, is applicable to American nationals as well, is it not?

Mr. GWYNNE. The one provision with regard to foreign exchange is probably applicable.

Mr. STEFAN. Why not take into consideration platinum when you take into consideration gold and silver bullion?

Mr. GWYNNE. If that is property that belongs to some foreign nation or national it is, of course, subject to our jurisdiction.

Mr. STEFAN. Certainly, but the gentleman knows and will agree, I am sure, that considerable wealth has been brought into this country in the way of metal and so on by foreigners. It would stand to reason we should take into consideration platinum the same as gold and silver bullion.

Mr. GWYNNE. Let me say to the gentleman that this provision covers all property belonging to aliens that is within our jurisdiction.

Mr. STEFAN. It would not be necessary then specifically to mention platinum.

Mr. GWYNNE. No.

Mr. STEFAN. It would cover platinum?

Mr. GWYNNE. Yes, indeed.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield.

Mr. SPRINGER. As I understand, the gentleman has stated that subsection (b) of section 301 applies only to nationals of a foreign country who have interest in property in this country.

Mr. GWYNNE. Yes; I think that is clear.

Mr. SPRINGER. And is it the gentleman's thought that subsection (a) which immediately precedes on page 5 applies to our own citizens as well as to nationals of other countries?

Mr. GWYNNE. I am inclined to think that is correct. I think, however, it should be clarified.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, under this bill we give to the President the power to take what is needed to meet the emergency. We round out and supplement whatever powers he now has. He has a herculean task to perform and it needs herculean powers. These powers are given him in this bill. I desire briefly to comment upon section 303 found on page 8 which concerns international communications.

I wish to emphasize that there is no attempt in section 303 to establish any control or censorship over domestic internal communications by radio, telegraph, press, or by word of mouth. This is an attempt only to control international communications.

Now let me give you something of the condition of confusion that exists today with reference to communications. There are many agencies of Government engaged at the present time in some form of defense information service. There are 10 such agencies. The defense branches include among others the new Office of Facts and Figures, the Office of the Coordinator of Information, the Office of the Coordinator of Inter-American Affairs, the War, Navy, Treasury, and State Departments, the Office of Emergency Management, the Selective Service System, and the Office of Government Reports. Members of the press, radio commentators, and others seeking information have a great deal of difficulty in getting the true state of facts from these 10 different agencies. At times they give out conflicting reports; and this bill by section 303, so far as international communications are concerned, seeks to remedy this defect and would empower the President to set up some sort of bureau to control or some other measure of control over this situation. For example, at the present time broadcasting is not controlled in any sense of the word. Many of the United States stations can be heard in South America. Most of the naval censorship



is now exercised on news dispatches going through by cable and wireless. It is obviously not a complete system when press dispatches going for instance to Buenos Aires are being carefully scanned while broadcasts of activities and news bulletins are absolutely free. With the passage of this bill we shall go a great ways in changing and remedying that situation.

I feel that with reference to domestic communications we should pattern after what occurred during the last World War when there was set up between the radio, the press, and the Government a sort of voluntary restraint, a sort of voluntary censorship. George Creel was empowered by President Wilson to establish a mild sort of censorship, for want of a better term, whereby the news commentators, editors, and publishers agreed to submit to the appropriate agencies of Government, or to George Creel and his colleagues, information they had received. They got clearance in that way from the centralized bureau. I believe the President could very readily set up some sort of bureau of that character upon which there would be representation from the press, representation from radio, representation from the public; and, as Walter Lippmann in a very interesting article in the New York Herald Tribune pointed out, we could do this without the loss of any of our rights and without risking the loss of public criticism which is so essential to good government. If the press and the radio are called upon openly to assist in setting up this sort of voluntary censorship and are continuously represented in the administration of the censorship it will work satisfactorily, for responsible newspapermen and radio commentators are quite able to recognize and enforce the distinction between information which is off the record and information which can be published.

It is far better to have this sort of voluntary control over press and radio set up by some sort of Executive order rather than have compulsory censorship by legislative fiat. The English system is one of voluntary action and agreement between press, radio, and government. It works admirably well in England. It does not preclude criticism of the government, because they know in England wisely and prudently that it is only an aroused public opinion which can for example get rid of an inefficient, worthless officer of the government or officer of the armed forces. Criticism is freely permitted. The truth can be told. The only restraint is that the report or communication cannot be such as to give aid and comfort to the enemy. I think we could well pattern after the English system. Indeed, I hope that the Executive authority not only under the power that we give him in this bill but under his present powers will set up some sort of a bureau of the character that President Wilson set up during the last war. There were some abuses of power, but they can be avoided. We can readily profit by our experience during that last war.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, on yesterday the Supreme Court of the United States decided, by a 5 to 3 decision, that no matter what the decision of an administrative agency was, the Court would not review it. This, of course, has added greatly to the discomfiture of those who are opposed to a highly centralized form of government in their consideration of this legislation. I have asked for this time in order to call attention of the committee to the statutes that relate to the advertising of bids, and I ask unanimous consent to insert a list of those statutes at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania [Mr. WALTER]?

There was no objection.

The list referred to follows:

STATUTES PERTINENT TO TITLE II CONCERNED  
WITH THE LETTING, ADMINISTERING, AND  
PERFORMANCE OF CONTRACTS

I. ADVERTISING

A. Statutes requiring advertising for bids for Government contracts:

41 United States Code: Section 5 (general provisions).

10 United States Code: Sections 310, 1200, 1201 (specific provisions).

34 United States Code: Sections 561, 566, 567 (specific provisions).

41 United States Code: Section 7 (specific provisions).

B. Neither 41 United States Code, section 5, nor any other of the above provisions apply to the Reconstruction Finance Corporation, the subsidiaries of that Corporation, such as the Defense Plant Corporation, or any other Government-owned corporation.

C. Statutes dispensing with the advertising requirement under certain circumstances not necessarily related to emergency situations:

10 United States Code: Sections 6-6 (n) (n), 1205.

34 United States Code: Sections 565, 569, 571.

D. Emergency appropriation acts authorizing the President to dispense with the advertising requirement:

Seventy-sixth Congress: Public, Nos. 611, 703.

Seventy-seventh Congress: Public, Nos. 9, 28.

E. Statutes authorizing the Secretaries of War and Navy, the Maritime Commission, and the Federal Works Administration to dispense with the advertising requirement under emergency circumstances:

50 United States Code, section 96:

Seventy-sixth Congress: Public, Nos. 43, 168, 309, 629, 635, 671, 703, 781, 849.

Seventy-seventh Congress: Public, Nos. 9, 22, 46, 48, 101, 137, 139, 143, 247.

II. PROVISIONS CONCERNING BONDS

A. Statutes requiring bonds for Government contracts and related provisions:

40 United States Code: Sections 270 (a)-270 (d).

41 United States Code: Section 7 (3).

34 United States Code: Section 562.

B. Statutes dispensing with some of the above restrictions under emergency conditions:

Seventy-sixth Congress: Public, No. 309.

Seventy-seventh Congress: Public, Nos. 5, 46, 139, 309.

A. 31 United States Code, section 529, is a general prohibition against paying for any Government purchase before delivery or before title is taken to it.

B. Statutes presently giving some, but inadequate, relief against these provisions:

34 United States Code: Section 582.

Seventy-sixth Congress: Public, Nos. 671, 703.

Mr. WALTER. Mr. Chairman, it is hoped through the enactment of this legislation that title II will show the way to some of these governmental agencies to the end that the chaotic condition that now exists with respect to bidding will be eliminated. I know of one case after another where the Government agencies are actually in open competition with each other to secure materials, with, of course, the inevitable result that the taxpayers of this Nation are paying more for the essential war materials than they should. I sincerely trust that out of title II will come something which will remedy that situation.

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I did not think I would take time on this measure, but since I expect to vote for the bill and I expect to do everything within my power to see that it is passed because it is a defense measure, and so the people may be protected under certain provisions contained in it, I want to say just a few words at this time. On December 7, just passed, our course was fixed. We became involved in this war. This very morning it was my very sad duty to report to the Members of the House that two boys, both of whom reside in my congressional district, were the first two casualties from my congressional district in this war. They fell on the 7th of December, when that vicious and unwarranted assault was made upon our Nation by Japan.

The bill which is before us is intended to meet the serious situation which is ahead. We are involved in war. We must meet the challenge of war. It is essential that powers be delegated to the President of the United States, and this bill contains practically the same delegation of power as was given to the President in the last World War. Title I of the bill is practically identically the same as the measure which was in force during the last World War, with the one exception that section 3 thereof has been eliminated.

Title II of the bill which is at the moment before the House is the only new feature in this bill. That title has been detailed and described fully by our distinguished chairman of the Judiciary Committee. There are one or two observations I would like to make in this connection. Under this bill great power is given with respect to awarding contracts, as is provided under title II, section 201, of the bill. There should be a limitation of that power. In other words, after passing this particular legislation, which is extraordinary in character, there should be legislation passed following it to protect our people against frauds, deceit, abuses, and against favoritism which may become involved under the provisions of this particular section of the pending legislation.

Another observation I want to make in this connection is this: Under section 201 there is the opportunity in the letting of contracts, and in the distribution of contracts, for small business to have the chance of receiving a fair share of the



war-production contracts in which our Nation is now developing. That would be very helpful to small business all over this great Nation of ours. I sincerely hope and trust that in awarding these war contracts, and in letting the contracts for production of war materials and supplies, and in the development of our national defense, which will be necessary from time to time, that small business will be fully considered when those contracts are let, to the end that the small business men of this country may receive a fair share thereof, and ultimately be saved from destruction.

The other provision of the bill, and I refer to title III, with respect to "trading with the enemy," has practically the identical provisions, as I understand it, that the bill contained which was in force during the last World War. There has been added by the Judiciary Committee an extra precaution under section 401 of this measure. This precaution relates to the time such proposed law would terminate. This extraordinary power must end when the war is over. No one knows who will be President when this war ends, and provision is made for the termination of this proposed law by concurrent resolution of both House of the Congress. This provision assures the right of the representatives of the people to recapture this great and extraordinary power, and to again vest the power in the people when this war ends.

Mr. Chairman, I dislike to vest great power in the President of the United States. Vast power has been delegated to the President—greater than has been delegated to any other President of this great Nation. But we are now involved in war, and it becomes necessary to delegate great power to the President. In the face of our national-defense requirements and the necessity of this hour of peril, I expect to support this measure and grant the power to the President which he requests—but with this power goes the responsibility involved. The President owes a sacred duty to the people of this Nation. He must not fail to discharge that duty to our people and to our Nation in these sad days.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, this is the first legislation of this type we have had up for consideration since the declaration of war, and I think it is very commendable and speaks well of the unity we have in the Nation and in the Congress in the fact that everybody has joined together in trying to accomplish the result that we all seek to accomplish. I want to largely direct my remarks to title III, the trading with the enemy feature of this bill.

It was explained to us by representatives of the Treasury that it was absolutely necessary for the present act—5 (b)—to be reenacted in order to enable the Treasury to carry out its policy of freezing certain credits and of handling certain financial interests during the war. The explanation made to us, and I think it is carried out in this bill, is that the

only change the Treasury wanted in 5 (b) of the Trading With the Enemy Act was to give the executive department power not only to passively freeze credits and to negatively handle the operation of some manufacturing plants by a system of licenses or controls that they have to work under at the present time, but also to give the President the power to actively put into operation those interests or those securities or plants that might be taken over and be seized under authority of 5 (b) of the present act.

If you will look at page 4 of the report, you will find the present section 5, as amended by the acts of March 9, 1933, and May 7, 1940. It is quite apparent upon reading it that the present law gives the President the power to investigate, regulate, or prohibit any transactions in foreign exchange, transfers of credit, or payments between, by, through, or to any banking institution, and exporting, hoarding, melting, or earmarking of gold or silver coin or bullion or currency. The only thing that has been added there is the word "securities." I think that makes the law a little stronger. I understand the provisions of the first part of this act came into it by amendment in March 1933. The purpose was to authorize the President to restrict credit transactions and prevent hoarding during the bank emergency period. I think subsection (a) applies to citizens of this country as well as foreign nationals. The debate in March 1933 indicates that this is true, and I think the language is clear. When this section was amended in May 1940 there does not appear to have been any debate in the House. However, the question was fully debated in the Senate. The report of the argument will be found in the RECORD, beginning at page 5168. Subsection (b) is the same as the old law, except that it gives the President the right to use and to operate anything that may be taken over in which a foreign national or government has an interest.

It seems to me, in view of the action that has already been taken by the Treasury Department and by the President in freezing credits and preventing the hoarding of certain money or gold, this would not be the time to change the existing law in respect to subsection (a). I think it is well that we extend it as it is enlarged in subsection (b).

Of course, this bill does not cover everything that will have to be done. There are some parts of the Trading With the Enemy Act that are still in force, and there are some parts of it that are not in force. I think it is going to take a very careful examination of all these laws to see what other parts it may be necessary again to make vital during the continuation of the war, but that will take several weeks. For the present, the officials in the executive departments tell us that this is what they can as a minimum get by with until they have an opportunity to study some of the other provisions that may later be necessary.

As to the section that deals with contracts, we considered trying to write into this section a provision protecting the Government from fraud and extortion by so-called contract brokers. However, this subject should be covered by comprehen-

sive legislation and I hope it will be appropriately taken care of at an early date.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I am taking this time for the purpose of trying to clarify what the present law is with reference to the financial and property transactions as set out in subsections (A) and (B) of this bill.

It so happens that that legislation originated in and was reported by the Committee on Banking and Currency, I believe, in May 1940, and was passed by unanimous consent. It amended the original act that was passed, as we all know, in 1917.

I believe I can say without any question that the present act applies only to those transactions and those properties in which foreign governments or subdivisions thereof or their nationals have an interest. There seems to have been some confusion about that matter here. There is no doubt that was the intention of the legislation at the time it was enacted, and there was a very definite reason for it. It followed immediately the invasion of Norway, Belgium, and Holland by Germany, and it was enacted for the very purpose of protecting their nationals and their property in this country from transactions and transfers forced upon them by the Germans at that time. That was the purpose of it. There was no intention and there is no intention at all now that it should be applied to any transaction or any property in which an American citizen has an interest.

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. ROBSON].

Mr. ROBSON of Kentucky. Mr. Chairman, this is a tremendously important bill. It grants to the President most extraordinary powers. There can hardly be granted greater powers. Section 1, at the beginning of the bill, gives the reasons for the granting of these extraordinary powers:

That for the national security and defense, for the successful prosecution of the war, for the support and maintenance of the Army and Navy, for the better utilization of resources and industries, and for the more effective exercise and more efficient administration by the President of his powers as Commander in Chief of the Army and Navy.

These powers rest upon those declarations. We have declared war against Japan, Italy, and Germany, and the executive branch insists these powers are essential now to enable us to prosecute this war successfully.

Section 1 is the Overman Act. We are giving to President Roosevelt war powers granted by Congress to President Wilson. Title II gives me considerable concern. The Congress up to this time, or when we complete the consideration of the \$10,000,000,000 bill, will have actually appropriated and given contractual authority for the expenditure of more than \$70,000,000,000 since July 1940 for the national defense. That is a tremendous sum of money. If we could pick the men who are to administer this law down to



the point where it becomes effective, we would not have so much concern, but there will be thousands of persons going out and making contracts for the Government almost without limitation. We can already begin to see where selfish interests and greed have raised their ugly heads, and graft has begun to show itself in some of the contracts where mere brokers, with perhaps nothing more than a set of books, have in a single contract pulled down approximately \$100,000.

Further, we see in the press that a suit is pending in court where a lawyer claims for his services in securing certain contracts he is entitled to \$700,000.

I am pleased to hear what the members of our committee say about protective legislation—criminal statutes—so that this Government may put its hands upon the fellows who are dipping into the United States Treasury and committing fraud and grafting on our country in this hour of her peril. We are calling a lot of the young men of America to serve for \$21 to \$30 a month. We should see to it there is no graft or unjust profits.

The trading with the enemy provision in title 3 is necessary now. In the last World War under the Trading With the Enemy Act this Government took over \$500,000,000 worth of property and held it until after the war, and then adjudications were made by the Alien Property Custodian.

Up to this time our Government has already taken over \$7,000,000,000 worth of money, credits, and other property. There is no sense in this Government holding this \$7,000,000,000 worth of property inactive, allowing it to rust, plants to remain idle, and bear the expense of its maintenance. This bill gives the Government the right, not only to take it over, but to convert it, to sell it, or to use it, and that is one important amendment to the Trading With the Enemy Act, and it ought to be adopted.

Your committee was not idle and did not fail to scrutinize this important measure when it came before us from the Executive branch. There are several important amendments that were put into this bill by your Committee on the Judiciary.

I wish to call your attention to page 7. The bill that was brought to us was very broad, indeed. It provided to make active and vitalize all acts, actions, regulations, rules, orders, and proclamations that had been made theretofore, from October 6, 1917, when the Trading With the Enemy Act was first passed. Amendments were adopted by our committee; but your committee, realizing that we must protect the Government for its actions during recent months when it took over this \$7,000,000,000 of assets and property of foreign nations, made the necessary provisions in this bill.

Another thing that your committee insisted be written into the bill is our right to recapture these extraordinary powers given to the President. And how was that done?

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield to the gentleman 2 additional minutes.

Mr. ROBSON of Kentucky. In section 401 it is provided that this act shall remain in force during the continuance of the present war and for 6 months after the termination of the war. This is too uncertain. We might quit fighting as we did in the World War on November 11, 1918, but there was no real declaration of peace for more than 2 years. Now if we should quit fighting and the Executive was not willing to declare that the war was over, perhaps we could not fix the 6 months because we could not tell whether the war was over or not; perhaps no treaty of peace had been made or accepted—we never did ratify the Treaty of Versailles—so we wrote into this bill that both Houses of Congress, one concurring with the other, could at any time recapture these powers. Congress might not be able to repeal this act. We might pass the law, and it would go to the President and he would veto it. Then we would have to have a two-thirds majority, but under the provision put in this bill we can recapture or stop these powers simply by a majority vote of both Houses. It is insisted these extraordinary powers are necessary. We will put them in the hands of the President. We have given him the money; we have given him the power; Congress will give him the men and the ships and the planes, and then the American people will hold him and those who are associated with him responsible if they do not give America victory.

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Chairman, in the consideration of this bill today I am reminded of the fact that last evening over our national radio systems it was celebrated with dramatic effect the one hundred and fiftieth anniversary of the birth of the Bill of Rights. It occurred to me that in discussing this bill there are, perhaps, powers granted herein affecting the Bill of Rights greater than in any single act of this Congress. Yet we all recognize that under war conditions or under extraordinary conditions, certain powers must be vested in the President, as in the control of the property, moneys, and securities of foreign countries and foreign nationals with whom we are at war. The matter which troubled me about this bill was the fact that when the bill was originally presented to the Committee on the Judiciary, the committee was very much dissatisfied with the drafting of the bill, and as a result I think a much improved bill has been brought out of your committee and one which plainly sets up what is intended to be the law by which all of us are to be guided.

I was particularly grateful to the gentleman from Missouri [Mr. WILLIAMS] for his observations as to the effect of sections A and B of title III. I certainly feel that that language should be applicable only to the properties of a foreign national or a foreign country, and I am particularly grateful to him for his observation that there was no question that

the Trading With the Enemy Act, as passed in 1940, was intended solely to apply to foreign nationals.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. Yes.

Mr. VOORHIS of California. The gentleman may recall that in the hearings of a subcommittee considering another piece of legislation, I raised a question before that subcommittee about the possible danger from some foreign government or agency attempting to secure control of American properties by indirect methods and the desirability of requiring anyone who took part in such transaction to register under the Foreign Agents Registration Act. I ask the gentleman whether, in his judgment, the provisions of the bill now before the House unquestionably prevents anything such as that taking place?

Mr. O'HARA. Mr. Chairman, I recall distinctly in connection with another bill that the gentleman from California very ably presented his views with reference to an amendment which he desired on that particular bill. We also discussed it in connection with this bill, and it is my hope that the language of this bill is broad enough to cover what the gentleman from California had in mind and which he discussed so ably before our committee; and if it does not, then I should like very much to see in substance the gentleman's idea incorporated in some other act which we are now considering before the Committee on the Judiciary.

Mr. VOORHIS of California. I understand that the gentleman is still going ahead with the consideration of H. R. 6045.

Mr. O'HARA. The gentleman is correct. I agree with the gentleman from California that in connection with an amendment to control the action of these foreign individuals who attempt to come in and obtain control or some controlling interest in our domestic corporations, that if this act does not cover it, we should have legislation that will embrace his views.

I think in title IV of this act it is wisely provided the provision that the Congress may, by a concurrent resolution, designate a cutting-off period. I recall that following the last war there was a long period of time where, in our State, at least, it was necessary in obtaining a judgment to go to the trouble of making out an affidavit that the judgment debtor was not in the military service of the United States, and that requirement continued for a period of some several years after the war was over. It resulted because of the fact that there had been no definite legal action taken determining the termination of the existence of a war condition in this country, and I feel the provision in title IV is a very wise provision.

I yield back the remainder of my time.

Mr. SUMNERS of Texas. Mr. Chairman, I do not believe there are any additional requests for time.

The CHAIRMAN. If there is no further request for time, the Clerk will read.



The Clerk read as follows:

*Be it enacted, etc.,*

**TITLE I—COORDINATION OF EXECUTIVE BUREAUS  
IN THE INTEREST OF THE MORE EFFICIENT  
CONCENTRATION OF THE GOVERNMENT**

SECTION 1. That for the national security and defense, for the successful prosecution of the war, for the support and maintenance of the Army and Navy, for the better utilization of resources and industries, and for the more effective exercise and more efficient administration by the President of his powers as Commander in Chief of the Army and Navy, the President is hereby authorized to make such redistribution of functions among executive agencies as he may deem necessary, including any functions, duties, and powers hitherto by law conferred upon any executive department, commission, bureau, agency, governmental corporation, office, or officer, in such manner as in his judgment shall seem best fitted to carry out the purposes of this title, and to this end is authorized to make such regulations and to issue such orders as he may deem necessary, which regulations and orders shall be in writing and shall be published in accordance with the Federal Register Act of 1935: *Provided*, That the termination of this title shall not affect any act done or any right or obligation accruing or accrued pursuant to this title and during the time that this title is in force: *Provided further*, That the authority by this title granted shall be exercised only in matters relating to the conduct of the present war.

SEC. 2. That in carrying out the purposes of this title the President is authorized to utilize, coordinate, or consolidate any executive or administrative commissions, bureaus, agencies, governmental corporations, offices, or officers now existing by law to transfer any duties or powers from one existing department, commission, bureau, agency, governmental corporation, office, or officer to another, to transfer the personnel thereof or any part of it either by detail or assignment, together with the whole or any part of the records and public property belonging thereto.

SEC. 3. That for the purpose of carrying out the provisions of this title, any moneys heretofore and hereafter appropriated for the use of any executive department, commission, bureau, agency, governmental corporation, office, or officer shall be expended only for the purposes for which it was appropriated under the direction of such other agency as may be directed by the President hereunder to perform and execute said functions except to the extent hereafter authorized by the Congress in appropriation acts or otherwise.

SEC. 4. That should the President, in redistributing the functions among the executive agencies as provided in this title, conclude that any bureau should be abolished and it or their duties and functions conferred upon some other department or bureau or eliminated entirely, he shall report his conclusions to Congress with such recommendations as he may deem proper.

SEC. 5. That all laws or parts of laws conflicting with the provisions of this title are to the extent of such conflict suspended while this title is in force.

Upon the termination of this title all executive or administrative agencies, governmental corporations, departments, commissions, bureaus, offices, or officers shall exercise the same functions, duties, and powers as heretofore or as hereafter by law may be provided any authorization of the President under this title to the contrary notwithstanding.

**TITLE II—CONTRACTS**

SEC. 201. The President may authorize any department or agency of the Government exercising functions in connection with the prosecution of the war effort, in accordance with regulations prescribed by the President for the protection of the interests of the Government, to enter into contracts and into

amendments or modifications of contracts heretofore or hereafter made and to make advance, progress, and other payments thereon, without regard to the provisions of law relating to the making, performance, amendment, or modification of contracts whenever he deems such action would facilitate the prosecution of the war: *Provided*, That nothing herein shall be construed to authorize the use of the cost-plus-a-percentage-of-cost system of contracting.

**TITLE III—TRADING WITH THE ENEMY**

SEC. 301. The first sentence of subdivision (b) of section 5 of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby amended to read as follows:

“(1) During the time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, and under such rules and regulations as he may prescribe, by means of instructions, licenses, or otherwise—

“(A) investigate, regulate, or prohibit, any transactions in foreign exchange, transfers of credit or payments between, by, through, or to any banking institution, and the importing, exporting, hoarding, melting, or earmarking of gold or silver coin or bullion, currency or securities, and

“(B) investigate, regulate, direct and compel, nullify, void, prevent or prohibit, any acquisition holding, withholding, use, transfer, withdrawal, transportation, importation or exportation of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest;

by any person, or with respect to any property, subject to the jurisdiction of the United States; and any property or interest of any foreign country or national thereof shall vest, when, as, and upon the terms, directed by the President, in such agency or person as may be designated from time to time by the President, and upon such terms and conditions as the President may prescribe such interest or property shall be held, used, administered, liquidated, sold, or otherwise dealt with in the interest of and for the benefit of the United States, and such designated agency or person may perform any and all acts incident to the accomplishment or furtherance of these purposes; and the President may, in the manner hereinabove provided, require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction referred to in this subdivision either before, during, or after the completion thereof, or relative to any interest in foreign property, or relative to any property in which any foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of this subdivision, and in any case in which a report could be required, the President may, in the manner hereinabove provided, require the production, or if necessary to the national security or defense, the seizure of, any books of account, records, contracts, letters, memoranda, or other papers, in the custody or control of such person; and the President may, in the manner hereinabove provided, take other and further measures not inconsistent herewith for the enforcement of this subdivision.

“(2) Any payment, conveyance, transfer, assignment, or delivery of property or interest therein, made to or for the account of the United States, or as otherwise directed, pursuant to this subdivision or any rule, regulation, instruction, or direction issued hereunder shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same; and no person shall be held liable in any court for or in respect to anything

done or omitted in good faith in connection with the administration of, or in pursuance of and in reliance on, this subdivision, or any rule, regulation, instruction, or direction issued hereunder.

“(3) As used in this subdivision the term ‘United States’ means the United States and any place subject to the jurisdiction thereof, including the Philippine Islands, and the several courts of first instance of the Commonwealth of the Philippine Islands shall have jurisdiction in all cases, civil or criminal, arising under this subdivision in the Philippine Islands and concurrent jurisdiction with the district courts of the United States of all cases, civil or criminal, arising upon the high seas: *Provided, however*, That the foregoing shall not be construed as a limitation upon the power of the President, which is hereby conferred, to prescribe from time to time, definitions, not inconsistent with the purposes of this subdivision, for any or all of the terms used in this subdivision.”

Mr. WALTER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WALTER: Page 6, line 2, after the word “President”, strike out the word “may” and insert the word “shall.”

Mr. WALTER. Mr. Chairman, under the bill as written the President may require whoever is appointed Alien Property Custodian—and I assume that such a person will be appointed—to keep a record of the transactions that take place during the tenure of his office. It seems to me that, conferring the tremendous powers conferred under this section on some individual, we should compel that person to keep a full and complete record of all the transactions that take place, and I submit that that is a very reasonable thing to expect. I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

The Clerk read as follows:

SEC. 302. All acts, actions, regulations, rules, orders, and proclamations heretofore taken, promulgated, made, or issued by, or pursuant to the direction of, the President or the Secretary of the Treasury under the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, which would have been authorized if the provisions of this act and the amendments made by it had been in effect, are hereby approved, ratified, and confirmed.

SEC. 303. Whenever, during the present war, the President shall deem that the public safety demands it, he may cause to be censored under such rules and regulations as he may from time to time establish, communications by mail, cable, radio, or other means of transmission passing between the United States and any foreign country he may from time to time specify, or which may be carried by any vessel or other means of transportation touching at any port, place, or Territory of the United States and bound to or from any foreign country. Any person who willfully evades or attempts to evade the submission of any such communication to such censorship or willfully uses or attempts to use any code or other device for the purpose of concealing from such censorship the intended meaning of such communication shall, upon conviction, be fined not more than \$10,000, or, if a natural person, imprisoned for not more than 10 years, or both; and the officer, director, or agent of any corporation who knowingly participates in such violation



shall be punished by a like fine, imprisonment, or both, and any property, funds, securities, papers, or other articles or documents, or any vessel, together with her tackle, apparel, furniture, and equipment, concerned in such violation shall be forfeited to the United States.

#### TITLE IV—TIME LIMIT AND SHORT TITLE

SEC. 401. Titles I and II of this act shall remain in force during the continuance of the present war and for 6 months after the termination of the war, or until such earlier time as the Congress by concurrent resolution or the President may designate.

SEC. 402. This act may be cited as the "First War Powers Act, 1941."

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DAVIS of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 6233, and pursuant to House Resolution 389 he reported the same back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

#### AMENDING THE SELECTIVE TRAINING AND SERVICE ACT OF 1940

Mr. COLMER, from the Committee on Rules, submitted the following privileged resolution (H. Res. 390, Rept. No. 1511) on the bill (H. R. 6215) to amend the Selective Training and Service Act of 1940, which was referred to the House Calendar and ordered printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6215) to amend the Selective Training and Service Act of 1940, to aid in insuring the defeat of all the enemies of the United States through the extension of liability for military service and the registration of the manpower of the Nation, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Military Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### EXTENSION OF REMARKS

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that I may be permitted to address the House for about 5 minutes after the disposition of business on the Speaker's desk and other special orders today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### EXTENSION OF REMARKS

Mr. BRADLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter to the President of the United States from the Providence Association of Ukrainian Catholics.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a newspaper clipping concerning the first tuberculosis-free graded county in the United States.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### INTER-AMERICAN HIGHWAY

Mr. NICHOLS. Mr. Speaker, by authority of the Committee on Rules, I call up House Resolution 262.

The Clerk read as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 1544, a bill to provide for cooperation with Central American republics in the construction of the Inter-American Highway. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

With the following committee amendment:

Page 1, line 8, strike out "two hours" and insert "1 hour."

Mr. NICHOLS. Mr. Speaker, I understand the time on the minority side is under control of the gentleman from New York [Mr. FISH], but since he is not present I yield now 30 minutes to the gentleman from Michigan [Mr. MICHENER]. I yield myself 5 minutes at this time.

Mr. Speaker, I do not think all the time will be consumed on this rule. Briefly, this rule is for the consideration of a bill which has for its purpose an appropriation of \$20,000,000 to be used in the construction of 1,550 miles of international highway which will connect the border of Mexico, through Central America, to the Canal Zone. The report states that probably better and in a more concise way than I can, and I will now read from the report:

The Inter-American Highway section in question is approximately 1,500 miles in length. The proposed route reaches from the Panama Canal to the border between Guatemala and Mexico and passes through the capital cities of every country except Honduras, where a road which would connect the capital city of Tegucigalpa with the Inter-American Highway is already in service.

The highway through Central America would connect at the border between Guatemala and Mexico with the Mexican section of the Inter-American Highway and provide direct communication by road from Laredo, Tex., to the Canal Zone.

Expenditures by the United States during the first 12 months of the operation of this plan are estimated at \$5,400,000. Expenditures during the 4 years following until the completion of the highway should average slightly under \$4,000,000 yearly.

I may say there is in the report a letter from the President of the United States asking favorable consideration and passage of this bill and also a very lengthy letter from the Secretary of State, Mr. Cordell Hull, in which he goes into a complete discussion of the reasons which he deems make it imperative that this road be constructed.

Under the provisions of the bill any country through which this road passes would have to contribute at least one-third of the funds expended on the road within the country. It seems to me that probably this is all that should be necessary on the discussion of the rule, because ample time is provided for discussion of all phases of the bill when it comes on for consideration.

Mr. Speaker, I reserve the balance of my time.

Mr. MICHENER. Mr. Speaker, I yield myself such time as I may need.

Mr. Speaker, personally I do not favor this bill at this time.

I should like very much to see a splendid international highway running from Alaska to the southernmost part of South America. This is idealistic, devoutly to be hoped for, and would be a fine thing for the Americas. The portion of such a road, provided in the bill before us, is not essential at this time as a part of our national defense. If consideration is to be given to our Treasury and our taxpayers, then the necessities of our national defense and our war program should be the limitation of our spending.

Is this proposed highway a national-defense highway? The witnesses appearing before the Rules Committee made it clear that the road to be constructed is not suitable for the transportation of modern military equipment, and that the bridges already built are intended to meet the needs of tourist travel and are not such as are necessary on a military highway.

77TH CONGRESS  
1ST SESSION

# S. 2129

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IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 1941  
Ordered to be printed

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## AN ACT

To expedite the prosecution of the war effort.

1     *Be it enacted by the Senate and House of Representa-*  
2     *tives of the United States of America in Congress assembled,*

3     TITLE I—COORDINATION OF EXECUTIVE BU-  
4     REAUS IN THE INTEREST OF THE MORE  
5     EFFICIENT CONCENTRATION OF THE GOV-  
6     ERNMENT

7     SECTION 1. That for the national security and defense,  
8     for the successful prosecution of the war, for the support and  
9     maintenance of the Army and Navy, for the better utiliza-  
10    tion of resources and industries, and for the more effective  
11    exercise and more efficient administration by the President of

1 his powers as Commander in Chief of the Army and Navy,  
2 the President is hereby authorized to make such redistribution  
3 of functions among executive agencies as he may deem neces-  
4 sary, including any functions, duties, and powers hitherto  
5 by law conferred upon any executive department, commis-  
6 sion, bureau, agency, governmental corporation, office, or  
7 officer, in such manner as in his judgment shall seem best  
8 fitted to carry out the purposes of this title, and to this end  
9 is authorized to make such regulations and to issue such  
10 orders as he may deem necessary, which regulations and  
11 orders shall be in writing and shall be published in accordance  
12 with the Federal Register Act of 1935: *Provided*, That the  
13 termination of this title shall not affect any act done or any  
14 right or obligation accruing or accrued pursuant to this title  
15 and during the time that this title is in force: *Provided fur-*  
16 *ther*, That the authority by this title granted shall be exer-  
17 cised only in matters relating to the conduct of the present  
18 war: *Provided further*, That no redistribution of functions  
19 shall provide for the transfer, consolidation, or abolition of  
20 the whole or any part of the General Accounting Office or  
21 of all or any part of its functions.

22       SEC. 2. That in carrying out the purposes of this title  
23 the President is authorized to utilize, coordinate, or con-  
24 solidate any executive or administrative commissions, bu-  
25 reaus, agencies, governmental corporations, offices, or officers



1 now existing by law, to transfer any duties or powers from  
2 one existing department, commission, bureau, agency, gov-  
3 ernmental corporation, office, or officer to another, to transfer  
4 the personnel thereof or any part of it either by detail or  
5 assignment, together with the whole or any part of the rec-  
6 ords and public property belonging thereto.

7       SEC. 3. That for the purpose of carrying out the provi-  
8 sions of this title, any moneys heretofore and hereafter appro-  
9 priated for the use of any executive department, commission,  
10 bureau, agency, governmental corporation, office, or officer  
11 shall be expended only for the purposes for which it was  
12 appropriated under the direction of such other agency as  
13 may be directed by the President hereunder to perform and  
14 execute said functions, except to the extent hereafter author-  
15 ized by the Congress in appropriation Acts or otherwise.

16       SEC. 4. That should the President, in redistributing the  
17 functions among the executive agencies as provided in this  
18 title, conclude that any bureau should be abolished and it or  
19 their duties and functions conferred upon some other depart-  
20 ment or bureau or eliminated entirely, he shall report his  
21 conclusions to Congress with such recommendations as he may  
22 deem proper.

23       SEC. 5. That all laws or parts of laws conflicting with  
24 the provisions of this title are to the extent of such conflict  
25 suspended while this title is in force.

1       Upon the termination of this title all executive or admin-  
2   istrative agencies, governmental corporations, departments,  
3   commissions, bureaus, offices, or officers shall exercise the  
4   same functions, duties, and powers as heretofore or as here-  
5   after by law may be provided, any authorization of the  
6   President under this title to the contrary notwithstanding.

7                                   TITLE II—CONTRACTS

8       SEC. 201. The President may authorize any department  
9   or agency of the Government exercising functions in con-  
10   nection with the prosecution of the war effort, in accordance  
11   with regulations prescribed by the President for the protec-  
12   tion of the interests of the Government, to enter into contracts  
13   and into amendments or modifications of contracts hereto-  
14   fore or hereafter made and to make advance, progress and  
15   other payments thereon, without regard to the provisions of  
16   law relating to the making, performance, amendment, or  
17   modification of contracts whenever he deems such action  
18   would facilitate the prosecution of the war: *Provided*, That  
19   nothing herein shall be construed to authorize the use of the  
20   cost-plus-a-percentage-of-cost system of contracting: *Provided*  
21   *further*, That nothing herein shall be construed to authorize  
22   any contracts in violation of existing law relating to limitation  
23   of profits: *Provided further*, That all acts under the authority  
24   of this section shall be made a matter of public record under



1 regulations prescribed by the President and when deemed by  
2 him not to be incompatible with the public interest.

3 TITLE III—TRADING WITH THE ENEMY

4 SEC. 301. The first sentence of subdivision (b) of sec-  
5 tion 5 of the Trading With the Enemy Act of October 6,  
6 1917 (40 Stat. 411), as amended, is hereby amended to read  
7 as follows:

8 “(1) During the time of war or during any other period  
9 of national emergency declared by the President, the Presi-  
10 dent may, through any agency that he may designate, or  
11 otherwise, and under such rules and regulations as he may  
12 prescribe, by means of instructions, licenses, or otherwise—

13 “(A) investigate, regulate, or prohibit, any transac-  
14 tions in foreign exchange, transfers of credit or payments  
15 between, by, through, or to any banking institution, and  
16 the importing, exporting, hoarding, melting, or earmark-  
17 ing of gold or silver coin or bullion, currency or securities,  
18 and

19 “(B) investigate, regulate, direct and compel,  
20 nullify, void, prevent or prohibit, any acquisition hold-  
21 ing, withholding, use, transfer, withdrawal, transporta-  
22 tion, importation or exportation of, or dealing in, or  
23 exercising any right, power, or privilege with respect

1 to, or transactions involving, any property in which any  
2 foreign country or a national thereof has any interest,  
3 by any person, or with respect to any property, subject to  
4 the jurisdiction of the United States; and any property or  
5 interest of any foreign country or national thereof shall vest,  
6 when, as, and upon the terms, directed by the President, in  
7 such agency or person as may be designated from time to  
8 time by the President, and upon such terms and conditions  
9 as the President may prescribe such interest or property shall  
10 be held, used, administered, liquidated, sold, or otherwise  
11 dealt with in the interest of and for the benefit of the United  
12 States, and such designated agency or person may perform  
13 any and all acts incident to the accomplishment or further-  
14 ance of these purposes; and the President may, in the manner  
15 hereinabove provided, require any person to keep a full record  
16 of, and to furnish under oath, in the form of reports or other-  
17 wise, complete information relative to any act or transaction  
18 referred to in this subdivision either before, during, or after  
19 the completion thereof, or relative to any interest in foreign  
20 property, or relative to any property in which any foreign  
21 country or any national thereof has or has had any interest,  
22 or as may be otherwise necessary to enforce the provisions  
23 of this subdivision, and in any case in which a report could be  
24 required, the President may, in the manner hereinabove pro-  
25 vided, require the production, or if necessary to the national

1 security or defense, the seizure, of any books of account,  
2 records, contracts, letters, memoranda, or other papers, in the  
3 custody or control of such person; and the President may, in  
4 the manner hereinabove provided, take other and further  
5 measures not inconsistent herewith for the enforcement of this  
6 subdivision.

7       “(2) Any payment, conveyance, transfer, assignment,  
8 or delivery of property or interest therein, made to or for  
9 the account of the United States, or as otherwise directed,  
10 pursuant to this subdivision or any rule, regulation, instruc-  
11 tion, or direction issued hereunder shall to the extent thereof  
12 be a full acquittance and discharge for all purposes of the  
13 obligation of the person making the same; and no person  
14 shall be held liable in any court for or in respect to anything  
15 done or omitted in good faith in connection with the admin-  
16 istration of, or in pursuance of and in reliance on, this  
17 subdivision, or any rule, regulation, instruction, or direction  
18 issued hereunder.

19       “(3) As used in this subdivision the term ‘United  
20 States’ means the United States and any place subject to  
21 the jurisdiction thereof, including the Philippine Islands, and  
22 the several courts of first instance of the Commonwealth of  
23 the Philippine Islands shall have jurisdiction in all cases,  
24 civil or criminal, arising under this subdivision in the Philip-  
25 pine Islands and concurrent jurisdiction with the district

1 courts of the United States of all cases, civil or criminal,  
2 arising upon the high seas: *Provided, however,* That the  
3 foregoing shall not be construed as a limitation upon the  
4 power of the President, which is hereby conferred, to pre-  
5 scribe from time to time, definitions, not inconsistent with  
6 the purposes of this subdivision, for any or all of the terms  
7 used in this subdivision."

8 SEC. 302. All acts, actions, regulations, rules, orders,  
9 and proclamations heretofore taken, promulgated, made, or  
10 issued by, or pursuant to the direction of, the President or  
11 the Secretary of the Treasury under the Trading With the  
12 Enemy Act of October 6, 1917 (40 Stat. 411), as amended,  
13 which would have been authorized if the provisions of this  
14 Act and the amendments made by it had been in effect,  
15 are hereby approved, ratified, and confirmed.

16 SEC. 303. Whenever, during the present war, the  
17 President shall deem that the public safety demands it, he  
18 may cause to be censored under such rules and regulations  
19 as he may from time to time establish, communications by  
20 mail, cable, radio, or other means of transmission passing  
21 between the United States and any foreign country he may  
22 from time to time specify, or which may be carried by any  
23 vessel or other means of transportation touching at any  
24 port, place, or Territory of the United States and bound to  
25 or from any foreign country. Any person who willfully

1 evades or attempts to evade the submission of any such  
2 communication to such censorship or willfully uses or at-  
3 tempts to use any code or other device for the purpose of  
4 concealing from such censorship the intended meaning of  
5 such communication shall, upon conviction, be fined not  
6 more than \$10,000, or, if a natural person, imprisoned for  
7 not more than ten years, or both; and the officer, director,  
8 or agent of any corporation who knowingly participates in  
9 such violation shall be punished by a like fine, imprison-  
10 ment, or both, and any property, funds, securities, papers, or  
11 other articles or documents, or any vessel, together with her  
12 tackle, apparel, furniture, and equipment, concerned in such  
13 violation shall be forfeited to the United States.

14 TITLE IV—TIME LIMIT AND SHORT TITLE

15 SEC. 401. Titles I and II of this Act shall remain in  
16 force during the continuance of the present war and for six  
17 months after the termination of the war, or until such earlier  
18 time as the Congress by concurrent resolution or the Presi-  
19 dent may designate.

20 SEC. 402. This Act may be cited as the "First War  
21 Powers Act, 1941".

Passed the Senate December 16, 1941.

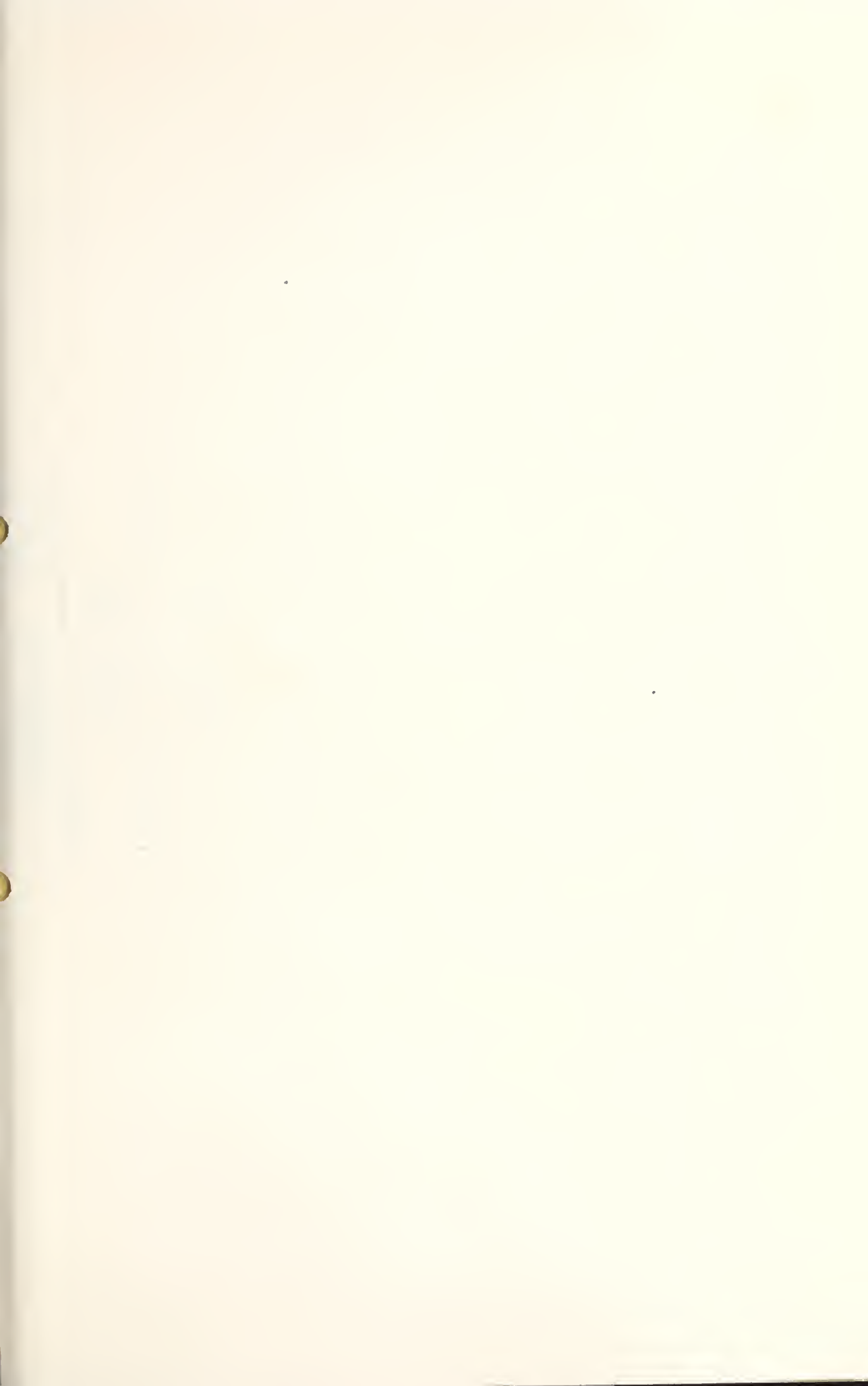
Attest:

EDWIN A. HALSEY,

*Secretary.*







77<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

S. 2129

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## AN ACT

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To expedite the prosecution of the war effort.

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DECEMBER 16, 1941  
Ordered to be printed







Texas to reconsider the vote by which the committee amendment was adopted? The Chair hears none, and the vote is reconsidered.

Mr. BURTON. Mr. President, I understand that the question will come up in the form of a vote on the original committee amendment.

The PRESIDING OFFICER. That is correct.

Mr. BURTON. Therefore it will be before the Senate in the form, Shall the bill be amended by substituting "1 cent" for "2 cents"?

The PRESIDING OFFICER. That is correct.

Mr. BURTON. Therefore, a vote in the affirmative will be in conformity with the action of the District Committee in making an increase of 1 cent a gallon, or \$1,500,000 increase in money; and a vote of "nay" would be a vote for an increase of 2 cents, or \$3,000,000 in money?

The PRESIDING OFFICER. That is correct.

Mr. BARKLEY. Mr. President, the committee amendment strikes out "2 cents" as provided in the House bill; and therefore the vote is simply on the committee amendment, and not on the amendment offered by the Senator from Texas.

The PRESIDING OFFICER. That is correct. The question is on agreeing to the committee amendment on page 1, line 7.

Mr. BYRD. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. O'DANIEL. Mr. President, will the Chair please restate the question?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment striking out "2 cents" and inserting "1 cent."

Mr. O'DANIEL. So that a vote "yea" would be for a tax of 1 cent a gallon and a "nay" vote would be for a tax of 2 cents a gallon?

The PRESIDING OFFICER. The Senator's statement is correct.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] is absent from the Senate because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from Texas [Mr. CONNALLY], the Senator from New Mexico [Mr. HATCH], the Senator from Utah [Mr. MURDOCK], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Montana [Mr. WHEELER] are detained in committee meetings.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from South Carolina [Mr. SMITH], and the Senator from Maryland [Mr. TYDINGS] are unavoidably detained.

The Senator from Utah [Mr. THOMAS] is attending a conference at the White House. He has a general pair with the Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent.

Mr. AUSTIN. I announce that the Senator from Minnesota [Mr. SHIPSTEAD] is unavoidably absent.

The Senator from New Jersey [Mr. BARBOUR] is necessarily absent.

The result was announced—yeas 52, nays 27, as follows:

#### YEAS—52

Aiken	George	Overton
Austin	Guffey	Reynolds
Ball	Gurney	Rosier
Barkley	Hill	Stewart
Brewster	Holman	Taft
Brooks	Hughes	Thomas, Idaho
Bulow	Johnsen, Calif.	Thomas, Okla.
Bunker	Kilgore	Tobey
Burton	La Follette	Tunnell
Butler	Langer	Vandenberg
Capper	Lodge	Van Nuys
Caraway	Lucas	Wagner
Chavez	McCarran	Wallgren
Clark, Idaho	McKellar	White
Clark, Mo.	McNary	Wiley
Danaher	Maloney	Willis
Davis	Mead	
Ellender	Norris	

#### NAYS—27

Bankhead	Green	O'Daniel
Brown	Hayden	Pepper
Byrd	Herring	Radcliffe
Chandler	Johnson, Colo.	Russell
Downey	Lee	Schwartz
Doxey	McFarland	Smathers
Gerry	Maybank	Spencer
Gillette	Murray	Truman
Glass	Nye	Walsh

#### NOT VOTING—16

Andrews	Connally	Smith
Bailey	Hatch	Thomas, Utah
Barbour	Murdoch	Tydings
Bilbo	O'Mahoney	Wheeler
Bone	Reed	
Bridges	Shipstead	

So the amendment reported by the committee was agreed to.

The PRESIDING OFFICER. The bill is still before the Senate and open to further amendment. If no further amendment be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill—H. R. 5558—was read the third time and passed.

The title was amended so as to read: "An act increasing motor-vehicle-fuel taxes in the District of Columbia for the period January 1, 1942, to June 30, 1951."

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

#### REENACTMENT OF OVERMAN AND TRADING WITH THE ENEMY ACTS

Mr. REYNOLDS. Mr. President, I move that the Senate take up for consideration Senate bill 2126.

Mr. VAN NUYS. Mr. President—

Mr. REYNOLDS. I yield to the Senator from Indiana.

Mr. VAN NUYS. I ask unanimous consent that the Senate proceed to the consideration of House bill 6233, to expedite the prosecution of the war effort.

The PRESIDING OFFICER. Is there objection?

Mr. TAFT. Mr. President, I inquire what bill is it?

Mr. VAN NUYS. Yesterday the House passed House bill 6233 which is identical with Senate bill 2129 passed by the Senate, except for one simple provision, making it mandatory instead of optional to file certain reports, which I will explain later on.

Mr. TAFT. I have no objection.

Mr. McNARY. Mr. President, a parliamentary inquiry. What is the question before the Senate?

The PRESIDING OFFICER. The question before the Senate is the request of the Senator from Indiana [Mr. VAN NUYS] that the Senate proceed to the consideration of House bill 6233. Is there objection to that request?

There being no objection, the Senate proceeded to consider the bill (H. R. 6233) to expedite the prosecution of the war effort, which was read twice by its title.

Mr. VAN NUYS. Mr. President, yesterday the House passed a bill identical with the one which we had under consideration and passed yesterday, Senate bill 2129. The House made one change. It changed the word "may" on page 6, line 14, to "shall." The bill at that point refers to reports required of the Alien Property Custodian, or whatever agency the President may designate for the custody of alien property. The change makes such reports mandatory instead of optional. It strengthens the bill along the line proposed in some of the committee amendments yesterday. I was in consultation today with Chairman SUMNERS, of the House Committee, and I ascertained that his committee will agree to all the amendments adopted by the Senate yesterday. If the Senate will permit that additional change in the bill, it will make it unnecessary for the bill to go to conference, and it can be enacted at once.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. VAN NUYS. I yield.

Mr. BARKLEY. From the parliamentary standpoint, the House bill having been passed and messaged to the Senate, and the Senate bill having been passed and messaged to the House, is it the purpose of the Senator from Indiana to take up the House bill and move to strike out all after the enacting clause and include the text of the Senate bill as passed yesterday, with the additional amendment which the House has put into its bill?

Mr. VAN NUYS. That is my purpose.

Mr. DANAHER. Mr. President, will the Senator yield to me?

Mr. VAN NUYS. I yield to the Senator from Connecticut.

Mr. DANAHER. This morning I had a conference with the legislative draftsman, the adviser to the Senate on legislative matters, and also with Mr. Ginsberg, who has been acting before the Banking and Currency Committee as counsel to Mr. Henderson, on the point of whether, under title II, we were making adequate provision for price-control legislation if and when it is enacted. Since the Banking and Currency Committee has already spent many days in hearings, and there is under consideration a bill to effectuate price control, it was the opinion of Messrs. Wood and Ginsberg, as well as my own for what it is worth, that if we do not now say something about the impact of the price-control legislation on title II, we may be opening the door wide to the modification of contracts which will completely



destroy the effectiveness of the price-control legislation.

Let me say to the Senator from Indiana that I mention the matter at this time so that the legislative history of the pending bill will reflect the fact that it has now been discussed. It is probable that, when the price-control bill is written, we can incorporate therein language which will refer back to title II of the pending bill in such fashion as to make it perfectly apparent that title II will function, or be caused to function, subject to the price-control limitations in the bill to be reported. Since it is not as yet existing legislation, we naturally do not wish to say that title II is subject to the provisions of a bill yet to be passed.

I mention the matter, therefore, let me say to the Senator from Indiana, so that he may be advised of what we have in mind and the point that we shall wish to take up. I assume that there will be no objection on the part of the Senator from Indiana to at least a tacit understanding in that particular.

Mr. VAN NUYS. On the contrary, I think the Senator from Connecticut has made a very material contribution to the history and intentment of the Congress in the passage of this legislation.

Mr. DANAHER. I thank the Senator.

Mr. VAN NUYS. Mr. President, I now move to strike out all after the enacting clause of the House bill, and insert the provisions of Senate bill 2129 as passed yesterday, with one change; namely, on page 6, line 14, of the Senate engrossed bill, strike out the word "may" and insert the word "shall", so as to read:

And the President shall, in the manner hereinabove provided, require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction referred to in this subdivision—

And so forth.

Mr. VAN NUYS' amendment was to strike out all after the enacting clause of House bill 6233, and to insert:

**TITLE I—COORDINATION OF EXECUTIVE BUREAUS  
IN THE INTEREST OF THE MORE EFFICIENT CON-  
CENTRATION OF THE GOVERNMENT**

SECTION 1. That for the national security and defense, for the successful prosecution of the war, for the support and maintenance of the Army and Navy, for the better utilization of resources and industries, and for the more effective exercise and more efficient administration by the President of his powers as Commander in Chief of the Army and Navy, the President is hereby authorized to make such redistribution of functions among executive agencies as he may deem necessary, including any functions, duties, and powers hitherto by law conferred upon any executive department, commission, bureau, agency, governmental corporation, office, or officer, in such manner as in his judgment shall seem best fitted to carry out the purposes of this title, and to this end is authorized to make such regulations and to issue such orders as he may deem necessary, which regulations and orders shall be in writing and shall be published in accordance with the Federal Register Act of 1935: *Provided*, That the termination of this title shall not affect any act done or any right or obligation accruing or accrued pursuant to this title and during the time that this title is in force: *Provided further*, That the authority by this title granted shall be exercised only in matters relating to the conduct of the present war: *Provided further*,

That no redistribution of functions shall provide for the transfer, consolidation, or abolition of the whole or any part of the General Accounting Office or of all or any part of its functions.

SEC. 2. That in carrying out the purposes of this title the President is authorized to utilize, coordinate, or consolidate any executive or administrative commissions, bureaus, agencies, governmental corporations, offices, or officers now existing by law, to transfer any duties or powers from one existing department, commission, bureau, agency, governmental corporation, office, or officer to another, to transfer the personnel thereof or any part of it either by detail or assignment, together with the whole or any part of the records and public property belonging thereto.

SEC. 3. That for the purpose of carrying out the provisions of this title, any moneys heretofore and hereafter appropriated for the use of any executive department, commission, bureau, agency, governmental corporation, office, or officer shall be expended only for the purposes for which it was appropriated under the direction of such other agency as may be directed by the President hereunder to perform and execute said functions, except to the extent hereafter authorized by the Congress in appropriation acts or otherwise.

SEC. 4. That should the President, in redistributing the functions among the executive agencies as provided in this title, conclude that any bureau should be abolished and it or their duties and functions conferred upon some other department or bureau or eliminated entirely, he shall report his conclusions to Congress with such recommendations as he may deem proper.

SEC. 5. That all laws or parts of laws conflicting with the provisions of this title are to the extent of such conflict suspended while this title is in force.

Upon the termination of this title all executive or administrative agencies, governmental corporations, departments, commissions, bureaus, offices, or officers shall exercise the same functions, duties, and powers as heretofore or as hereafter by law may be provided, any authorization of the President under this title to the contrary notwithstanding.

**TITLE II—CONTRACTS**

SEC. 201. The President may authorize any department or agency of the Government exercising functions in connection with the prosecution of the war effort, in accordance with regulations prescribed by the President for the protection of the interests of the Government, to enter into contracts and into amendments or modifications of contracts heretofore or hereafter made and to make advance, progress, and other payments thereon, without regard to the provisions of law relating to the making, performance, amendment, or modification of contracts whenever he deems such action would facilitate the prosecution of the war: *Provided*, That nothing herein shall be construed to authorize the use of the cost-plus-a-percentage-of-cost system of contracting: *Provided further*, That nothing herein shall be construed to authorize any contracts in violation of existing law relating to limitation of profits: *Provided further*, That all acts under the authority of this section shall be made a matter of public record under regulations prescribed by the President and when deemed by him not to be incompatible with the public interest.

**TITLE III—TRADING WITH THE ENEMY**

SEC. 301. The first sentence of subdivision (b) of section 5 of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby amended to read as follows:

"(1) During the time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, and under such rules and regulations as

he may prescribe, by means of instructions, licenses, or otherwise—

"(A) investigate, regulate, or prohibit, any transactions in foreign exchange, transfers of credit or payments between, by, through, or to any banking institution, and the importing, exporting, hoarding, melting, or earmarking of gold or silver coin or bullion, currency or securities, and

"(B) investigate, regulate, direct and compel, nullify, void, prevent, or prohibit any acquisition holding, withholding, use, transfer, withdrawal, transportation, importation, or exportation of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest,

by any person, or with respect to any property, subject to the jurisdiction of the United States; and any property or interest of any foreign country or national thereof shall vest, when, as, and upon the terms, directed by the President, in such agency or person as may be designated from time to time by the President, and upon such terms and conditions as the President may prescribe such interest or property shall be held, used, administered, liquidated, sold, or otherwise dealt with in the interest of and for the benefit of the United States, and such designated agency or person may perform any and all acts incident to the accomplishment or furtherance of these purposes; and the President shall, in the manner hereinabove provided, require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction referred to in this subdivision either before, during, or after the completion thereof, or relative to any interest in foreign property, or relative to any property in which any foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of this subdivision, and in any case in which a report could be required, the President may, in the manner hereinabove provided, require the production, or if necessary to the national security or defense, the seizure, of any books of account, records, contracts, letters, memoranda, or other papers, in the custody or control of such person; and the President may, in the manner hereinabove provided, take other and further measures not inconsistent herewith for the enforcement of this subdivision.

"(2) Any payment, conveyance, transfer, assignment, or delivery of property or interest therein, made to or for the account of the United States, or as otherwise directed, pursuant to this subdivision or any rule, regulation, instruction, or direction issued hereunder shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same; and no person shall be held liable in any court for or in respect to anything done or omitted in good faith in connection with the administration of, or in pursuance of and in reliance on, this subdivision, or any rule, regulation, instruction, or direction issued hereunder.

"(3) As used in this subdivision the term 'United States' means the United States and any place subject to the jurisdiction thereof, including the Philippine Islands, and the several courts of first instance of the Commonwealth of the Philippine Islands shall have jurisdiction in all cases, civil or criminal, arising under this subdivision in the Philippine Islands and concurrent jurisdiction with the district courts of the United States of all cases, civil or criminal, arising upon the high seas: *Provided, however*, That the foregoing shall not be construed as a limitation upon the power of the President, which is hereby conferred, to prescribe from time to time, definitions, not inconsistent with the purposes of this subdivision, for any or all of the terms used in this subdivision."



SEC. 302. All acts, actions, regulations, rules, orders, and proclamations heretofore taken, promulgated, made, or issued by, or pursuant to the direction of, the President or the Secretary of the Treasury under the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, which would have been authorized if the provisions of this act and the amendments made by it had been in effect, are hereby approved, ratified, and confirmed.

SEC. 303. Whenever, during the present war, the President shall deem that the public safety demands it, he may cause to be censored under such rules and regulations as he may from time to time establish, communications by mail, cable, radio, or other means of transmission passing between the United States and any foreign country he may from time to time specify, or which may be carried by any vessel or other means of transportation touching at any port, place, or Territory of the United States and bound to or from any foreign country. Any person who willfully evades or attempts to evade the submission of any such communication to such censorship or willfully uses or attempts to use any code or other device for the purpose of concealing from such censorship the intended meaning of such communication shall, upon conviction, be fined not more than \$10,000, or, if a natural person, imprisoned for not more than 10 years, or both; and the officer, director, or agent of any corporation who knowingly participates in such violation shall be punished by a like fine, imprisonment, or both, and any property, funds, securities, papers, or other articles or documents, or any vessel, together with her tackle, apparel, furniture, and equipment, concerned in such violation shall be forfeited to the United States.

#### TITLE IV—TIME LIMIT AND SHORT TITLE

SEC. 401. Titles I and II of this act shall remain in force during the continuance of the present war and for 6 months after the termination of the war, or until such earlier time as the Congress by concurrent resolution or the President may designate.

SEC. 402. This act may be cited as the "First War Powers Act, 1941."

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute, offered by the Senator from Indiana.

The amendment in the nature of a substitute, was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 6233) was read the third time, and passed.

#### EXTENSION OF MILITARY SERVICE AND REGISTRATION OF MANPOWER

Mr. REYNOLDS obtained the floor.

Mr. LEE. Mr. President, will the Senator yield to me?

Mr. REYNOLDS. I shall be glad to yield to the Senator from Oklahoma.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Kentucky will state it.

Mr. BARKLEY. Has the motion made earlier by the Senator from North Carolina to proceed to the consideration of the bill then referred to by him been agreed to?

The PRESIDING OFFICER. It has not been.

Mr. BARKLEY. Let us have that motion agreed to.

Mr. TAFT. Mr. President, I wish to speak on the motion.

Mr. McNARY. Mr. President, I desire to make an inquiry. Was this bill reported yesterday?

Mr. REYNOLDS. It was reported yesterday.

Mr. McNARY. So it is on the calendar?

Mr. REYNOLDS. It is on the calendar. In answer to the Senator's inquiry I will state that it is listed as order of business 952, Senate bill 2126, to amend the Selective Training and Service Act of 1940 by providing for extension of liability for military service and for the registration of the manpower of the Nation.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Carolina that the Senate proceed to the consideration of Senate bill 2126.

Mr. TAFT. Mr. President, I very much hope the Senator from North Carolina will not press his motion to take up today the bill on the subject of draft ages. It seems to me that we have not the necessary information on which to determine what we should do. Personally, I do not know whether I want to oppose lowering the ages to 20 and 19, and I shall not know until I can read the testimony of General Hershey, the various Army officials, and the other men who appeared before the Military Affairs Committee of the Senate and the Military Affairs Committee of the House.

The hearings before the Senate committee are not on our desks. They are not available to Senators. The hearings before the House committee have only just been made partially available. I sent for one a short time ago, and obtained it from the House.

This is a question of numbers. All of us agree that we probably need a much larger Army than we have today. Certainly I am prepared to admit that that should be done; but how many men can be taken from the existing registration? Is it necessary yet to go on to those who are 20 and those who are 19? Is it necessary to register those from 45 to 65? Frankly, I do not know today, and if I should make an argument on the subject I should make it with no confidence that I was right.

This is a numerical calculation. There are only a million and a half men in the Army today, and 17,000,000 are already registered under the existing draft law; 1,200,000 men will attain the age of 21 years between now and the first of next January; and my impression is that the Army itself does not expect to draft more than a million men during the coming year.

Is this step necessary yet? I do not know; and I make a serious and solemn plea to the Senator from North Carolina not to put us in the position of opposing what we may not wish to oppose, of making arguments without sufficient facts, without an opportunity to go into the reasons and the facts that are presented. The reasons are not presented in the committee report; and any Senator who reads our committee report is still left completely in the dark as to the reasons for this action, and whether or not it is necessary.

So I ask the Senator from North Carolina if he will not be willing to make this matter a special order of business for tomorrow, instead of pressing it for action today.

Mr. REYNOLDS. Naturally the members of the Committee on Military Affairs desire to bring about a favorable vote, and the passage of the bill. We have considered the bill to some extent. We have had before us representatives of the War Department, including General Hershey, of the Selective Service System, and those who are in charge of matters pertaining to national defense are particularly desirous that we give immediate consideration to the subject now in hand.

With reference to the testimony of General Hershey and others who are familiar with and have at hand and in mind the figures mentioned by the Senator from Ohio, I may add that it is not only the intention of the Senator from North Carolina to bring to the attention of the Members of the Senate the testimony of General Hershey, but it is also the intention of the Senator from North Carolina to bring to the attention of the Senate the statement of General Marshall, the Chief of Staff, himself, the statement of the President of the United States, the Commander in Chief, in regard to this matter, a statement by the Secretary of War, and statements by numbers of others.

Insofar as the availability of men is concerned, we shall be in a position during the debate to provide the able Senator from Ohio with answers to all his inquiries in reference to the availability of men in the draft, men who have already been registered, the number who have been called, the number who will be called, and the number we might count upon securing from those who registered in the draft, aged from 21 to 36, under section 2 of the original Selective Service Act.

In view of the fact that those in charge of our national defense, those who are in charge of the armed forces of the United States, are insisting on and requesting immediate consideration, I trust that without objection we may be permitted to proceed with the debate, in order that the bill may be explained to Senators now present, and those who may come in later, and who are interested in this question, which I concede is an extremely important one to the American people.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. DANAHER. Is it not a fact that the House has already refused to lower the draft age as recommended by the Senate committee?

Mr. REYNOLDS. The House has not refused, according to my understanding. The Committee on Military Affairs of the House, under the direction of Chairman MAY, held hearings for several days, when a number of the authorities of the War Department, and some representing the Selective Service System were present and testified. I have before me the typewritten transcript of the hearings before our committee.

It is my understanding that in reporting the bill the House committee recommended that the age limits of those liable



to military service should be 21 to 44, inclusive, whereas after our consideration, on the recommendation of the President of the United States and the Secretary of War, of General Marshall himself, of General Hershey, the head of the Selective Service System, and of innumerable others, the Senate Committee on Military Affairs in executive session yesterday, after having for several days considered the provision of the bill, voted unanimously—that is to say, every member of the committee of 18 who was present voted—to adopt the recommendations of the President to require military liability or military service on the part of citizens between the ages of 19 and 44.

Mr. DANAHER. When did the House Committee on Military Affairs take the action stated?

Mr. REYNOLDS. I understand the House Committee on Military Affairs reported their bill fixing the ages from 21 to 44 day before yesterday.

Mr. DANAHER. What happened between the time when the House Committee on Military Affairs voted not to drop the age limit below 21, and yesterday, when the Senate Committee on Military Affairs voted to drop it to 19, which was so impelling on the minds of the Senate Committee on Military Affairs?

Mr. REYNOLDS. Of course, I am not aware of any information which might have been given to the whole House committee in public hearings, or to the committee or members of the committee in executive hearings, or any information which any member of the Committee on Military Affairs of the House might have had other than that obtained in the committee in executive session, or in public hearings. I do know, however, that every member of the Committee on Military Affairs of the Senate who was present during all the hearings and during the time when the questions were directed to the authorities who appeared, voted to report the bill including men from 19 to 44 years of age. They voted to report it for sundry reasons which I shall endeavor to explain.

Mr. DANAHER. Will the Senator yield further?

Mr. REYNOLDS. Certainly.

Mr. DANAHER. How long would it take to make available to us the report of the hearings which were held before the Senate Committee on Military Affairs?

Mr. REYNOLDS. I have before me now the transcript of all of the hearings before the Senate Committee on Military Affairs, in typewritten form, but I have no knowledge that they have already been put into printed form.

Mr. DANAHER. I wish to pay due tribute to the unanimity of the Senate Committee on Military Affairs, in whom I have great confidence, but the fact remains that on Monday or Tuesday of this week the House committee refused to lower the age from 21 to 19. Yet the Senate committee, on evidence not before us, has voted unanimously, the Senator says, to drop the age from 21 to 19. I may be very much in favor of dropping the age, too, but I certainly should like to know why it should be done, and I should like to see the transcript of the hearings,

just as the Senator from Ohio has so pointedly remarked that he would.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. REYNOLDS. I am glad to yield to our majority leader.

Mr. BARKLEY. On a motion to take up a bill I do not know that it is pertinent to inquire what may have actuated a committee of another body in taking action different from that taken by a committee of this body. It seems to me we might very well adopt the motion of the Senator from North Carolina to proceed to consider the bill. No one can tell how long it will be debated. My judgment is that probably the only controversial matter in the bill is the matter of age.

Mr. REYNOLDS. That is true, section 2.

Mr. BARKLEY. And that is not a complicated problem. Men may have their views about it, and I might suggest to the Senator from North Carolina, the chairman of the committee, in charge of the bill, that if as the debate proceeds there appears any good reason for withholding the vote on the bill until tomorrow, I do not know that there would be any objection to that. It seems to me we should proceed, however.

Mr. REYNOLDS. I am sure there would be no objection to postponing the vote. Of course, in all fairness, I am not desirous of pressing for a vote today, as mentioned by the distinguished Senator from Ohio. Every Member of this body is interested in the bill on account of its tremendous, widespread importance, and I would not insist upon a vote on the bill finally until every Member of this body who wanted information had an opportunity of securing it. As the debate proceeds in the Senate, if Senators have not, as a result of the debate, secured information which they desire and do not feel that they are in a position to make up their minds as to whether to support any one section or all the sections or the bill itself, naturally I should not object, and I do not believe any member of my committee would object, to the bill going over until tomorrow for a final vote, in order that Senators might have an opportunity to read the report of the hearings in printed form.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. VANDENBERG. Conceding the necessity for expedition, I wish to ask the Senator a question bearing upon the necessity for this imminent action today. I wish to read the Senator three sentences from an Associated Press dispatch, and ask him if it is a correct presentation of the facts. I quote the Associated Press:

WASHINGTON, D. C., December 14.—War Department officials made clear today that it would be a long time, if ever, before any men outside the 21-35 age group are drafted for the Army, despite the proposal to require all aged 18 to 64, inclusive, to register.

I read another sentence:

Brig. Gen. Lewis B. Hershey, Selective Service Director, warning against any hysteria—

Warning against any hysteria—

in connection with the draft extension, said there was no way of telling when it might be

necessary to tap the reservoir of men outside the 21-35 group. "We can meet the situation today and tomorrow with the present draft-age limits of 21 to 35," Hershey said.

Now I submit to the Senator that if that is an accurate reflection of the situation as it has been presented officially to the Senate Military Affairs Committee, there certainly is no 24-hour pressure to proceed to a conclusion.

Mr. REYNOLDS. I will say to the Senator, in answer, that I would not be so presumptuous as to undertake to say what the War Department intends. That is a matter for the War Department to determine. Insofar as General Hershey's statement is concerned, I naturally concede that we are not going to need these additional men today or tomorrow, but the Nation is now at war, and therefore I deem it our duty to meet the issue as it arises from day to day. I can see no necessity for putting off until tomorrow the question of deciding whether we shall reduce the registration age from 21 to 18 and raise it from 36 to 65, or for putting off the question of inducting into the service for military liability those who have reached the age of 19 and those up to the age of 44. Why put the matter off? The War Department officials have been here and have testified. General Hershey has been here and has testified. It is certainly conceded that we shall need millions of men if we are to bring about ultimate, complete victory, which we all agree we shall do. So why put off until tomorrow that which we can accomplish today? At least we can go into the methods of dealing with the question, at least we can discuss the measure, and then if there are Senators here who are not desirous of voting upon the bill today because they have not had the opportunity to read the hearings, they will have tonight for that purpose, and tomorrow we can vote on the measure.

Mr. VANDENBERG. Mr. President, I appreciate the Senator's fervid dedication to the cause which we all embrace, and I have no quarrel with anything he has said. But the Senator has not answered my question. I should like to refer to my question, upon the answer to which I should like to base my judgment as to whether it is necessary to move today. I ask the Senator whether the Associated Press statement which I read is a correct reflection of the situation, namely, that General Hershey, Director of Selective Service, warning against any hysteria in connection with this action, announces that it will substantially be a long time, if ever, before the draft will reach below the age of 21?

Mr. REYNOLDS. If General Hershey made that statement, I would not undertake to deny any statement he made.

Mr. VANDENBERG. Well, did he make it? That is what I am trying to find out.

Mr. REYNOLDS. I do not know whether he made the statement.

Mr. VANDENBERG. Does not the Senator think he would like to have a day to find out whether General Hershey made the statement?

Mr. REYNOLDS. I do not think it makes a great deal of difference.



legislature. It is impossible to now secure the legislation from the Territorial legislature, because that body will not meet in regular session until January of 1943. The bill was written in the War Department and it is favored by the Secretary of War and is urgently asked for by the Governor of Alaska, as well as by myself.

The bill sets up a short, simple, military code for the Territory of Alaska, covering the militia and the National Guard. Incidentally, I pause here to say that all of the Alaska National Guard has now been brought into active service. The most important feature of the measure is contained in the last section which will authorize the establishment of a Territorial Guard. Alaska, as you know, is one of our frontiers and may be attacked any day, and the establishment of a Territorial Guard immediately is vital to our safety, because such a guard can aid in the protection of public utilities and public and private property, and in other ways defend the Territory and thus help to defend the United States.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. I yield.

Mr. MAY. In other words, the Territory of Alaska is in exactly the same position now that the States were in after we called out the National Guard, and the States were permitted to set up a home guard.

Mr. DIMOND. That is right.

Mr. MARTIN of Massachusetts. Have you a National Guard in Alaska?

Mr. DIMOND. We have a National Guard in Alaska, but it has already been brought into active Federal service and it is not available for local use and therefore we want this bill passed. The most important feature of the bill is to establish a Territorial Guard, and while some units of such a Guard have already been organized, at the present time they have not the protection of any such legislation. The immediate passage of this bill is of high importance to the safety and more adequate protection of the citizens of Alaska. The bill is more completely explained in the House report thereon which I ask to have here inserted in the RECORD.

#### REPORT [TO ACCOMPANY H. R. 5822]

The Committee on Military Affairs, to whom was referred the bill (H. R. 5822) to establish a military code for the Territory of Alaska, having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

The purpose of the bill, as expressed in the title, is to establish a military code for the Territory of Alaska. Nothing of the nature has heretofore been enacted either by Congress or by the Alaska Territorial Legislature, except for the provision contained in the act of June 6, 1900 (title 48, sec. 61, U. S. Code), with respect to the power and authority of the Governor of Alaska, reading as follows:

"He [the Governor] shall be ex officio commander in chief of the militia of the Territory, and shall have power to call out the same when necessary to the due execution of the laws and to preserve the peace, and to cause all able-bodied citizens of the United States in the Territory to enroll and serve as such when the public exigency demands; \* \* \*"

The first six sections of the bill make provision with respect to the militia of the Ter-

ritory of Alaska and the Alaska National Guard.

Section 1, which defines the militia of the Territory, is in complete harmony with similar provisions of Federal law (title 32, sec. 1, U. S. Code) defining the militia of the United States.

Section 2 exempts from militia service all persons exempted by the laws of the United States (see title 32, sec. 3, U. S. Code) and in addition thereto "judges of the several courts of the Territory and members and officers of the Alaska Territorial Legislature."

Section 3 defines the Alaska National Guard, a definition in complete harmony with Federal law (title 32, sec. 4, U. S. Code).

Section 4 makes the Governor of the Territory of Alaska as ex officio commander of the militia of the Territory, like commander of the Alaska National Guard when not in active Federal service, and provides that the Alaska National Guard and its members shall be subject to all Federal laws and regulations relating to the National Guard of the several States and Territories and of the United States.

Section 5 authorizes the President to appoint an adjutant general of the Territory who must be a citizen of the Territory.

Section 6 ratifies and confirms the organization of the existing Alaska National Guard in the Territory which has heretofore been inducted into active Federal service.

Section 7 is of special importance at this time because it authorizes the organization of a Territorial Guard in Alaska under such regulations as to discipline as the Secretary of War may prescribe; and further authorizes the Secretary of War to issue for the use of such Territorial Guard upon requisition of the Governor of the Territory such arms and equipment as can be spared by the War Department.

There is no existing legislation authorizing the organization of a Territorial Guard. It is of vital importance that such authority should be given at the earliest practicable moment. In fact, units of such a Territorial Guard have already been organized in the several cities of Alaska to be prepared in case of emergency to aid in the protection of the public utilities, in policing the cities, to act as auxiliary fire wardens and firemen, and, generally, to take whatever emergency action may be necessary in case of attack or sabotage to protect the local inhabitants and property.

The Territorial Guard should be furnished whatever arms and equipment can readily be spared by the War Department in order to more effectively perform its duties.

While it is possible that most, if not all, the provisions of the bill could be validly enacted by the Alaska Territorial Legislature, that legislature will not meet again in regular session until January 1943. To call the legislature into extraordinary session for the purpose of enacting such legislation would involve delay and very considerable expense to the Federal Government, because all legislative expenses are paid out of the United States Treasury. Hence it is advisable that Congress should take prompt action on the subject.

No objection to the bill from any source has been brought to the attention of the committee. Its enactment is urgently requested by the Delegate from Alaska and by the Governor of Alaska and favored by the Secretary of War, with clearance from the Bureau of the Budget.

The original legislation on the subject was H. R. 5050 of the same title, which, upon introduction, was referred to the Secretary of War for an expression of his views in relation thereto. The Secretary replied by letter dated October 11, 1941, addressed to the chairman of the committee, reporting adversely upon H. R. 5050, but recommending the enactment of legislation on the subject and submitting a draft of such recommended legislation. The bill, H. R. 5822, now under consideration is an exact copy of the draft so submitted by the

Secretary of War when reporting upon H. R. 5050.

The SPEAKER. Is their objection to the request of the gentleman from Kentucky [Mr. MAY]?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the militia of the Territory of Alaska shall consist of all able-bodied male citizens of the United States and all other able-bodied males who shall have declared their intention to become citizens of the United States, residing within the Territory, who shall be more than 18 years of age and, except as hereinafter provided, not more than 45 years of age, and said militia shall be divided into two classes: The Organized Militia, to be known as the Alaska National Guard, and the Unorganized Militia.

Sec. 2. The following persons shall be exempt from militia service: Persons exempted by the laws of the United States, judges of the several courts of the Territory, and members and officers of the Alaska Territorial Legislature.

Sec. 3. The Alaska National Guard shall consist of members of the militia voluntarily enlisted therein, who, upon original enlistment, shall be not less than 18 nor more than 45 years of age, or who, in subsequent enlistment, shall be not more than 64 years of age, organized, armed, equipped, and federally recognized according to the laws of the United States, and of commissioned officers and warrant officers who are citizens of the United States between the ages of 21 and 64 years and who shall be appointed and commissioned or warranted by the Governor of the Territory: *Provided*, That former members of the Regular Army, Navy, or Marine Corps under 64 years of age may enlist in said Alaska National Guard.

Sec. 4. The Governor of the Territory of Alaska, as ex officio commander of the militia of the Territory, shall have like command of the Alaska National Guard while not in active Federal service, and is empowered to promulgate all necessary regulations therefor not inconsistent with this act. Except as otherwise prescribed by this act, the Alaska National Guard and its members shall be subject to all Federal laws and regulations relating to the National Guard of the several States and Territories, and of the United States.

Sec. 5. The Adjutant General of the Territory of Alaska shall be appointed by the President with such rank and qualifications as he may prescribe. He shall be a citizen of the Territory and shall make such returns and reports to the Secretary of War and to the Governor of the Territory of Alaska or to such officers as each of them may designate, at such times and in such form as may be prescribed.

Sec. 6. The terms and provisions of this act pertaining to the Alaska National Guard are hereby made applicable to the existing units and individuals of the military forces in the Territory of Alaska, heretofore organized and known as the Alaska National Guard, and such organization is hereby ratified and confirmed.

Sec. 7. During such time as the Alaska National Guard, or any part thereof, is in active Federal service, the Governor of Alaska, through voluntary enlistments, may organize a Territorial Guard under such regulations as to discipline in training as the Secretary of War may prescribe: *Provided*, That the Secretary of War, in his discretion and under such regulations as he may prescribe, is authorized to issue for the use of such Territorial Guard, upon requisition of the Governor of the Territory, such arms and equipment as may be in possession of and can be spared by the War Department.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.



A motion to reconsider was laid on the table.

#### TO EXPEDITE THE WAR EFFORT

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 6233, to expedite the prosecution of the war effort, with a Senate amendment thereto, and concur in the Senate amendment.

Mr. Speaker, with reference to H. R. 6233 and especially with regard to paragraph (1) of section 301 of title III, Trading With the Enemy, in view of the discussion on the floor of the House during the consideration of H. R. 6233 on yesterday, I would like to make it clear that there was no intention on my part and so far as I know there was no intention on the part of any member of the Committee on the Judiciary to propose or support any legislation reducing the powers of the President under existing law, nor to reduce in any degree existing law relative to domestic transactions.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert:

#### "TITLE I—COORDINATION OF EXECUTIVE BUREAUS IN THE INTEREST OF THE MORE EFFICIENT CONCENTRATION OF THE GOVERNMENT

"SECTION 1. That for the national security and defense, for the successful prosecution of the war, for the support and maintenance of the Army and Navy, for the better utilization of resources and industries, and for the more effective exercise and more efficient administration by the President of his powers as Commander in Chief of the Army and Navy, the President is hereby authorized to make such redistribution of functions among executive agencies as he may deem necessary, including any functions, duties, and powers hitherto by law conferred upon any executive department, commission, bureau, agency, governmental corporation, office, or officer, in such manner as in his judgment shall seem best fitted to carry out the purposes of this title, and to this end is authorized to make such regulations and to issue such orders as he may deem necessary, which regulations and orders shall be in writing and shall be published in accordance with the Federal Register Act of 1935: *Provided*, That the termination of this title shall not affect any act done or any right or obligation accruing or accrued pursuant to this title and during the time that this title is in force: *Provided further*, That the authority by this title granted shall be exercised only in matters relating to the conduct of the present war: *Provided further*, That no redistribution of functions shall provide for the transfer, consolidation, or abolition of the whole or any part of the General Accounting Office or of all or any part of its functions.

"Sec. 2. That in carrying out the purposes of this title the President is authorized to utilize, coordinate, or consolidate any executive or administrative commissions, bureaus, agencies, governmental corporations, offices, or officers now existing by law, to transfer any duties or powers from one existing department, commission, bureau, agency, governmental corporation, office, or officer to another, to transfer the personnel thereof or any part of it either by detail or assignment, together with the whole or any part of the records and public property belonging thereto.

"Sec. 3. That for the purpose of carrying out the provisions of this title, any moneys heretofore and hereafter appropriated for the use of any executive department, commission,

bureau, agency, governmental corporation, office, or officer shall be expended only for the purposes for which it was appropriated under the direction of such other agency as may be directed by the President hereunder to perform and execute said functions, except to the extent hereafter authorized by the Congress in appropriation acts or otherwise.

"Sec. 4. That should the President, in redistributing the functions among the executive agencies as provided in this title, conclude that any bureau should be abolished and it or their duties and functions conferred upon some other department or bureau or eliminated entirely, he shall report his conclusions to Congress with such recommendations as he may deem proper.

"Sec. 5. That all laws or parts of laws conflicting with the provisions of this title are to the extent of such conflict suspended while this title is in force.

"Upon the termination of this title all executive or administrative agencies, governmental corporations, departments, commissions, bureaus, offices, or officers shall exercise the same functions, duties, and powers as heretofore or as hereafter by law may be provided, any authorization of the President under this title to the contrary notwithstanding.

#### "TITLE II—CONTRACTS

"Sec. 201. The President may authorize any department or agency of the Government exercising functions in connection with the prosecution of the war effort, in accordance with regulations prescribed by the President for the protection of the interests of the Government, to enter into contracts and into amendments or modifications of contracts heretofore or hereafter made and to make advance, progress and other payments thereon, without regard to the provisions of law relating to the making, performance, amendment, or modification of contracts whenever he deems such action would facilitate the prosecution of the war: *Provided*, That nothing herein shall be construed to authorize the use of the cost-plus-a-percentage-of-cost system of contracting: *Provided further*, That nothing herein shall be construed to authorize any contracts in violation of existing law relating to limitation of profits: *Provided further*, That all acts under the authority of this section shall be made a matter of public record under regulations prescribed by the President and when deemed by him not to be incompatible with the public interest.

#### "TITLE III—TRADING WITH THE ENEMY

"Sec. 301. The first sentence of subdivision (b) of section 5 of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby amended to read as follows:

"(1) During the time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, and under such rules and regulations as he may prescribe, by means of instructions, licenses, or otherwise—

"(A) investigate, regulate, or prohibit, any transactions in foreign exchange, transfers of credit or payments between, by, through, or to any banking institution, and the importing, exporting, hoarding, melting, or earmarking of gold or silver coin or bullion, currency or securities, and

"(B) investigate, regulate, direct and compel, nullify, void, prevent or prohibit, any acquisition holding, withholding, use, transfer, withdrawal, transportation, importation or exportation of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest, by any person, or with respect to any property, subject to the jurisdiction of the United States; and any property or interest of any foreign country or national

thereof shall vest, when, as, and upon the terms, directed by the President, in such agency or person as may be designated from time to time by the President, and upon such terms and conditions as the President may prescribe such interest or property shall be held, used, administered, liquidated, sold, or otherwise dealt with in the interest of and for the benefit of the United States, and such designated agency or person may perform any and all acts incident to the accomplishment or furtherance of these purposes; and the President shall, in the manner hereinabove provided, require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction referred to in this subdivision either before, during, or after the completion thereof, or relative to any interest in foreign property, or relative to any property in which any foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of this subdivision, and in any case in which a report could be required, the President may, in the manner hereinabove provided, require the production, or if necessary to the national security or defense, the seizure, of any books of account, records, contracts, letters, memoranda, or other papers, in the custody or control of such person; and the President may, in the manner hereinabove provided, take other and further measures not inconsistent herewith for the enforcement of this subdivision.

"(2) Any payment, conveyance, transfer, assignment, or delivery of property or interest therein, made to or for the account of the United States, or as otherwise directed, pursuant to this subdivision or any rule, regulation, instruction, or direction issued hereunder shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same; and no person shall be held liable in any court for or in respect to anything done or omitted in good faith in connection with the administration of, or in pursuance of and in reliance on, this subdivision, or any rule, regulation, instruction, or direction issued hereunder.

"(3) As used in this subdivision the term "United States" means the United States and any place subject to the jurisdiction thereof, including the Philippine Islands, and the several courts of first instance of the Commonwealth of the Philippine Islands shall have jurisdiction in all cases, civil or criminal, arising under this subdivision in the Philippine Islands and concurrent jurisdiction with the district courts of the United States of all cases, civil or criminal, arising upon the high seas: *Provided, however*, That the foregoing shall not be construed as a limitation upon the power of the President, which is hereby conferred, to prescribe from time to time, definitions, not inconsistent with the purposes of this subdivision, for any or all of the terms used in this subdivision.

"Sec. 302. All acts, actions, regulations, rules, orders, and proclamations heretofore taken, promulgated, made, or issued by, or pursuant to the direction of, the President or the Secretary of the Treasury under the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, which would have been authorized if the provisions of this act and the amendments made by it had been in effect, are hereby approved, ratified, and confirmed.

"Sec. 303. Whenever, during the present war, the President shall deem that the public safety demands it, he may cause to be censored under such rules and regulations as he may from time to time establish, communications by mail, cable, radio, or other means of transmission passing between the United States and any foreign country he may from time to time specify, or which may be carried by any vessel or other means of trans-



portation touching at any port, place, or Territory of the United States and bound to or from any foreign country. Any person who willfully evades or attempts to evade the submission of any such communication to such censorship or willfully uses or attempts to use any code or other device for the purpose of concealing from such censorship the intended meaning of such communication shall, upon conviction, be fined not more than \$10,000, or, if a natural person, imprisoned for not more than 10 years, or both; and the officer, director, or agent of any corporation who knowingly participates in such violation shall be punished by a like fine, imprisonment, or both, and any property, funds, securities, papers, or other articles or documents, or any vessel, together with her tackle, apparel, furniture, and equipment, concerned in such violation shall be forfeited to the United States.

#### "TITLE IV—TIME LIMIT AND SHORT TITLE

"SEC. 401. Titles I and II of this act shall remain in force during the continuance of the present war and for 6 months after the termination of the war, or until such earlier time as the Congress by concurrent resolution or the President may designate.

"SEC. 402. This act may be cited as the 'First War Powers Act, 1941.'"

The SPEAKER. Is there objection?

Mr. MICHENER. Mr. Speaker, I have looked over the amendment, and the committee is unanimously in favor of it.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was concurred in and a motion to reconsider the vote by which the Senate amendment was agreed to was laid on the table.

The bill S. 2129 was laid on the table.

#### ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I do this for the purpose of obtaining information from the majority leader in respect to the program for tomorrow.

Mr. McCORMACK. Mr. Speaker, tomorrow we will consider H. R. 6250, a bill to amend the Nationality Act of 1940. That bill comes out of the Committee on Immigration and Naturalization, and, I understand, is recommended by the State Department and the Department of Justice.

Mr. SABATH. And it was reported out by unanimous vote of the Committee on Immigration and Naturalization.

Mr. MARTIN of Massachusetts. And that is all for tomorrow that the gentleman knows of?

Mr. McCORMACK. That is all, except whatever can be taken up by unanimous consent, and I know of nothing now. Friday, we will have the supplemental appropriation bill, and then, if a rule comes out of the Committee on Rules, which I expect, making in order a bill that was reported out of the Judiciary Committee, similar to a bill which I introduced some years ago, known as the McCormack bill, compelling agents of foreign countries and agencies engaged in propaganda to register, it will be considered. That bill has the unanimous

support of the Committee on the Judiciary. I doubt if there will be any opposition to it, although it should be debated and will be. That will be brought up on Friday, if the rule comes in.

Mr. MARTIN of Massachusetts. And then we have the deficiency appropriation bill?

Mr. McCORMACK. Yes.

Mr. MARTIN of Massachusetts. Are there any plans for next week?

Mr. McCORMACK. There is nothing I know of for Saturday.

Mr. MARTIN of Massachusetts. I do not want to press the gentleman now if he is not ready to tell us.

Mr. McCORMACK. As far as I know, that concludes any legislation upon which action would be required for the following week. I know of nothing that is coming up the following week.

Mr. MICHENER. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MICHENER. The gentleman will be able, will he not, before we adjourn on Friday, to make some quite definite statement about next week?

Mr. McCORMACK. The gentleman is hopeful to make it tomorrow, because the gentleman is hoping to be away himself on Friday.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. COCHRAN. Of course, we are going to complete the legislation that was passed today and, as far as I understand it, the report from the Senate committee is in disagreement with the legislation passed here. If the Senate passes the bill as reported by the Senate committee, it naturally will have to go to conference.

Mr. McCORMACK. That is true.

Mr. COCHRAN. That bill is important and Members should not leave here until we have finished with it.

Mr. McCORMACK. It is hoped that that bill will be disposed of even in conference before Friday. We hope it will.

#### EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Michigan [Mr. WOODRUFF], may extend his own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PACE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Columbus Ledger.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend the remarks which I made today on the bill H. R. 5822 and to include therein the report on the bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that I may make a brief statement with regard to some features of the bill H. R. 6233, just disposed of.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following resignation from committees:

DECEMBER 14, 1941.

HON. SAM RAYBURN,

*Speaker, House of Representatives.*

MY DEAR MR. SPEAKER: I hereby tender my resignation from the following committees of the House: Mines and Mining, Claims, and Enrolled Bills.

Respectfully yours,

IVOR D. FENTON.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

#### ELECTION TO STANDING COMMITTEES OF THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I send to the desk a resolution (H. Res. 392) and ask for its immediate adoption.

The Clerk read as follows:

*Resolved*, That WILSON D. GILLETTE, of Pennsylvania, be, and he is hereby, elected to the following committees of the House of Representatives: Committee on Claims, Committee on Indian Affairs, and Committee on Enrolled Bills.

The resolution was agreed to.

#### SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The Speaker announced his signature to an enrolled bill and a joint resolution of the Senate of the following titles:

S. 1544. An act to provide for cooperation with Central American republics in the construction of the Inter-American Highway; and

S. J. Res. 105. Joint resolution transferring the administration of the homestead projects established in the Virgin Islands from the Government of the Virgin Islands to the Department of Agriculture.

#### BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 547. An act authorizing the Secretary of War to execute easement deeds to the city of Los Angeles, Calif., for the use and occupation of lands and water areas in connection with the Sepulveda Dam Reservoir project and the Hansen Dam and Reservoir project on the Los Angeles River;

H. R. 1548. An act for the relief of Mrs. E. C. Bivins, Henrietta Bivins, and Irvin Tatum;

H. R. 4692. An act relating to the disposition of personal property of certain deceased patients or members of United States Veterans' Administration facilities;

H. R. 4853. An act to amend section 4, Public Law No. 198, Seventy-sixth Congress, July 19, 1939, to authorize hospitalization of retired officers and enlisted men who are war veterans on a parity with other war veterans;

H. R. 4905. An act to facilitate standardization and uniformity of procedure relating to determination of service connection of injuries or diseases alleged to have been incurred in or aggravated by active service in a war, campaign, or expedition;



H. R. 5007. An act to permit 15-round championship boxing bouts in the Territories of Alaska and Hawaii;

H. R. 5305. An act authorizing the Administrator of Veterans' Affairs to grant easements in certain lands to the town of Bedford, Mass., for road-widening purposes;

H. R. 5584. An act for the relief of Fred Pierce, Sr., and Mary Pierce;

H. R. 5749. An act to authorize the Secretary of War to sell to the Embury-Riddle Co. the military reservations of Carlstrom and Dorr Fields, Fla.;

H. R. 5893. An act to amend section 5 of the act entitled "An act to establish a Board of Public Welfare in and for the District of Columbia, to determine its functions, and for other purposes," approved March 16, 1926;

H. R. 6009. An act to provide pensions at wartime rates for officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard disabled in line of duty as a direct result of armed conflict, while engaged in extra-hazardous service or while the United States is engaged in war, and for the dependents of those who die from such cause, and for other purposes; and

H. J. Res. 255. Joint resolution creating a commission to investigate ways and means for improving economic conditions in the anthracite coal producing regions of the United States.

#### ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p. m.) the House adjourned until tomorrow, Thursday, December 18, 1941, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1171. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated August 22, 1941, submitting a report, together with accompanying papers, on a reexamination of Oakland Harbor and San Leandro Bay, Calif., to determine if the existing project should be modified in any way, and particularly with a view to providing improvements in San Leandro Bay, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on March 6, 1941 (H. Doc. No. 466); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

1172. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to an existing appropriation for the Civilian Conservation Corps, Federal Security Agency, for the fiscal year 1942, as well as for the fiscal year 1943 (H. Doc. No. 461); to the Committee on Appropriations and ordered to be printed.

1173. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated August 22, 1941, submitting a report, together with accompanying papers and illustrations, on a reexamination of Calcasieu River, La., with a view to providing deep water to the industrial plants and terminals at and near the Port of Lake Charles, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on August 28, 1940 (H. Doc. No. 465); to the Committee on Rivers and Harbors and ordered to be printed, with two illustrations.

1174. A letter from the Secretary of the Navy, transmitting a report from the joint board to investigate the need for constructing a bridge between Hunters Point and Bay Farm Island, Calif., as requested in House Resolution 158; to the Committee on Naval Affairs.

1175. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Federal Works Agency for the fiscal year 1942 in the amount of \$150,000,000 for community facilities (H. Doc. No. 462); to the Committee on Appropriations and ordered to be printed.

1176. A communication from the President of the United States, transmitting an emergency supplemental estimate of appropriation, fiscal year 1942, to remain available until expended, for the War Department, making available, for public relief and civilian defense in the Philippine Islands, the moneys authorized to be appropriated in accordance with section 503 of the Sugar Act of 1937 (H. Doc. No. 463); to the Committee on Appropriations and ordered to be printed.

1177. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1942, in the amount of \$15,000,000, for the Department of the Interior (H. Doc. No. 464); to the Committee on Appropriations and ordered to be printed.

1178. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to provide for performance of the duties of chiefs of bureau and the Judge Advocate General in the Navy Department, and the Major General Commandant of the Marine Corps, and for other purposes; to the Committee on Naval Affairs.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. J. Res. 231. Joint resolution to authorize the United States Maritime Commission to adjust certain obligations, and for other purposes; with amendment (Rept. No. 1513). Referred to the Committee of the Whole House on the state of the Union.

Mr. FOGARTY: Committee on the Territories. S. 2086. An act to authorize the employment of nationals of the United States on any public work of the United States in the Territory of Hawaii; with amendment (Rept. No. 1514). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1515. Report on the disposition of executive papers by the Navy Department. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1516. Report on the disposition of executive papers by the Navy Department. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1517. Report on the disposition of executive papers by the Treasury Department. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1518. Report on the disposition of executive papers by the Department of War. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1519. Report on the disposition of executive papers by the Department of War. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1520. Report on the disposition of executive papers by the Department of War. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House

Report No. 1521. Report on the disposition of executive papers by the Department of War. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1522. Report on the disposition of executive papers by the Department of Agriculture. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1523. Report on the disposition of executive papers by the Department of Agriculture. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1524. Report on the disposition of executive papers by the Department of Agriculture. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1525. Report on the disposition of executive papers by the Department of Agriculture. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1526. Report on the disposition of executive papers by the Department of Agriculture. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1527. Report on the disposition of executive papers by the Department of Agriculture. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1528. Report on the disposition of executive papers by the Department of Commerce. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1529. Report on the disposition of executive papers by the United States Board of Tax Appeals. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1530. Report on the disposition of executive papers by the United States Civil Service Commission. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1531. Report on the disposition of executive papers by the United States Civil Service Commission. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1532. Report on the disposition of executive papers by the Office of Education, Federal Security Agency. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1533. Report on the disposition of executive papers by the Federal Security Agency. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1534. Report on the disposition of executive papers by the Work Projects Administration, Federal Works Agency. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1535. Report on the disposition of executive papers by Work Projects Administration, Federal Works Agency. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1536. Report on the disposition of executive papers by the Public Roads Administration, Federal Works Agency. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1537. Report on the disposition of executive papers by the Department of the Treasury. Ordered to be printed.

Mr. ELLIOTT of California: Committee on the Disposition of Executive Papers. House Report No. 1538. Report on the disposition

18





[PUBLIC LAW 354—77TH CONGRESS]

[CHAPTER 593—1ST SESSION]

[H. R. 6233]

AN ACT

To expedite the prosecution of the war effort.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## TITLE I—COORDINATION OF EXECUTIVE BUREAUS IN THE INTEREST OF THE MORE EFFICIENT CONCENTRATION OF THE GOVERNMENT

SECTION 1. That for the national security and defense, for the successful prosecution of the war, for the support and maintenance of the Army and Navy, for the better utilization of resources and industries, and for the more effective exercise and more efficient administration by the President of his powers as Commander in Chief of the Army and Navy, the President is hereby authorized to make such redistribution of functions among executive agencies as he may deem necessary, including any functions, duties, and powers hitherto by law conferred upon any executive department, commission, bureau, agency, governmental corporation, office, or officer, in such manner as in his judgment shall seem best fitted to carry out the purposes of this title, and to this end is authorized to make such regulations and to issue such orders as he may deem necessary, which regulations and orders shall be in writing and shall be published in accordance with the Federal Register Act of 1935: *Provided*, That the termination of this title shall not affect any act done or any right or obligation accruing or accrued pursuant to this title and during the time that this title is in force: *Provided further*, That the authority by this title granted shall be exercised only in matters relating to the conduct of the present war: *Provided further*, That no redistribution of functions shall provide for the transfer, consolidation, or abolition of the whole or any part of the General Accounting Office or of all or any part of its functions.

SEC. 2. That in carrying out the purposes of this title the President is authorized to utilize, coordinate, or consolidate any executive or administrative commissions, bureaus, agencies, governmental corporations, offices, or officers now existing by law, to transfer any duties or powers from one existing department, commission, bureau, agency, governmental corporation, office, or officer to another, to transfer the personnel thereof or any part of it either by detail or assignment, together with the whole or any part of the records and public property belonging thereto.

SEC. 3. That for the purpose of carrying out the provisions of this title, any moneys heretofore and hereafter appropriated for the use



of any executive department, commission, bureau, agency, governmental corporation, office, or officer shall be expended only for the purposes for which it was appropriated under the direction of such other agency as may be directed by the President hereunder to perform and execute said functions, except to the extent hereafter authorized by the Congress in appropriation Acts or otherwise.

SEC. 4. That should the President, in redistributing the functions among the executive agencies as provided in this title, conclude that any bureau should be abolished and it or their duties and functions conferred upon some other department or bureau or eliminated entirely, he shall report his conclusions to Congress with such recommendations as he may deem proper.

SEC. 5. That all laws or parts of laws conflicting with the provisions of this title are to the extent of such conflict suspended while this title is in force.

Upon the termination of this title all executive or administrative agencies, governmental corporations, departments, commissions, bureaus, offices, or officers shall exercise the same functions, duties, and powers as heretofore or as hereafter by law may be provided, any authorization of the President under this title to the contrary notwithstanding.

## TITLE II—CONTRACTS

SEC. 201. The President may authorize any department or agency of the Government exercising functions in connection with the prosecution of the war effort, in accordance with regulations prescribed by the President for the protection of the interests of the Government, to enter into contracts and into amendments or modifications of contracts heretofore or hereafter made and to make advance, progress and other payments thereon, without regard to the provisions of law relating to the making, performance, amendment, or modification of contracts whenever he deems such action would facilitate the prosecution of the war: *Provided*, That nothing herein shall be construed to authorize the use of the cost-plus-a-percentage-of-cost system of contracting: *Provided further*, That nothing herein shall be construed to authorize any contracts in violation of existing law relating to limitation of profits: *Provided further*, That all acts under the authority of this section shall be made a matter of public record under regulations prescribed by the President and when deemed by him not to be incompatible with the public interest.

## TITLE III—TRADING WITH THE ENEMY

SEC. 301. The first sentence of subdivision (b) of section 5 of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby amended to read as follows:

“(1) During the time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, and under such rules and regulations as he may prescribe, by means of instructions, licenses, or otherwise—

“(A) investigate, regulate, or prohibit, any transactions in foreign exchange, transfers of credit or payments between, by, through, or to any banking institution, and the importing, exporting, hoarding, melting, or earmarking of gold or silver coin or bullion, currency or securities, and

“(B) investigate, regulate, direct and compel, nullify, void, prevent or prohibit, any acquisition holding, withholding, use, transfer, withdrawal, transportation, importation or exportation of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest,

by any person, or with respect to any property, subject to the jurisdiction of the United States; and any property or interest of any foreign country or national thereof shall vest, when, as, and upon the terms, directed by the President, in such agency or person as may be designated from time to time by the President, and upon such terms and conditions as the President may prescribe such interest or property shall be held, used, administered, liquidated, sold, or otherwise dealt with in the interest of and for the benefit of the United States, and such designated agency or person may perform any and all acts incident to the accomplishment or furtherance of these purposes; and the President shall, in the manner hereinabove provided, require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction referred to in this subdivision either before, during, or after the completion thereof, or relative to any interest in foreign property, or relative to any property in which any foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of this subdivision, and in any case in which a report could be required, the President may, in the manner hereinabove provided, require the production, or if necessary to the national security or defense, the seizure, of any books of account, records, contracts, letters, memoranda, or other papers, in the custody or control of such person; and the President may, in the manner hereinabove provided, take other and further measures not inconsistent herewith for the enforcement of this subdivision.

“(2) Any payment, conveyance, transfer, assignment, or delivery of property or interest therein, made to or for the account of the United States, or as otherwise directed, pursuant to this subdivision or any rule, regulation, instruction, or direction issued hereunder shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same; and no person shall be held liable in any court for or in respect to anything done or omitted in good faith in connection with the administration of, or in pursuance of and in reliance on, this subdivision, or any rule, regulation, instruction, or direction issued hereunder.

“(3) As used in this subdivision the term ‘United States’ means the United States and any place subject to the jurisdiction thereof, including the Philippine Islands, and the several courts of first instance of the Commonwealth of the Philippine Islands shall have jurisdiction in all cases, civil or criminal, arising under this subdivision in the Philippine Islands and concurrent jurisdiction with the district courts of the United States of all cases, civil or criminal, arising upon



the high seas: *Provided, however*, That the foregoing shall not be construed as a limitation upon the power of the President, which is hereby conferred, to prescribe from time to time, definitions, not inconsistent with the purposes of this subdivision, for any or all of the terms used in this subdivision."

SEC. 302. All acts, actions, regulations, rules, orders, and proclamations heretofore taken, promulgated, made, or issued by, or pursuant to the direction of, the President or the Secretary of the Treasury under the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, which would have been authorized if the provisions of this Act and the amendments made by it had been in effect, are hereby approved, ratified, and confirmed.

SEC. 303. Whenever, during the present war, the President shall deem that the public safety demands it, he may cause to be censored under such rules and regulations as he may from time to time establish, communications by mail, cable, radio, or other means of transmission passing between the United States and any foreign country he may from time to time specify, or which may be carried by any vessel or other means of transportation touching at any port, place, or Territory of the United States and bound to or from any foreign country. Any person who willfully evades or attempts to evade the submission of any such communication to such censorship or willfully uses or attempts to use any code or other device for the purpose of concealing from such censorship the intended meaning of such communication shall, upon conviction, be fined not more than \$10,000, or, if a natural person, imprisoned for not more than ten years, or both; and the officer, director, or agent of any corporation who knowingly participates in such violation shall be punished by a like fine, imprisonment, or both, and any property, funds, securities, papers, or other articles or documents, or any vessel, together with her tackle, apparel, furniture, and equipment, concerned in such violation shall be forfeited to the United States.

#### TITLE IV—TIME LIMIT AND SHORT TITLE

SEC. 401. Titles I and II of this Act shall remain in force during the continuance of the present war and for six months after the termination of the war, or until such earlier time as the Congress by concurrent resolution or the President may designate.

SEC. 402. This Act may be cited as the "First War Powers Act, 1941".

Approved, December 18, 1941.

214

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